

1.1 A bill for an act

1.2 relating to state government; providing supplemental appropriations for the Office
1.3 of Higher Education, the Board of Trustees of the Minnesota State Colleges and
1.4 Universities, the Board of Regents of the University of Minnesota; jobs, economic
1.5 development, labor, commerce and housing finance; state government and
1.6 veterans; public safety and corrections; transportation; agriculture, environment,
1.7 natural resources and clean water; early childhood education; kindergarten
1.8 through grade 12; community and adult education including general education;
1.9 education excellence; special education; education facilities; nutrition; state
1.10 education agencies; health and human services; making certain appropriations
1.11 adjustments; modifying disposition of certain revenues; requiring studies and
1.12 reports; providing rulemaking authority; amending Minnesota Statutes 2014,
1.13 sections 13.321, by adding a subdivision; 13.3805, by adding a subdivision;
1.14 13.3806, subdivision 22; 13.43, subdivision 6; 16B.33, subdivisions 3, 4; 16C.10,
1.15 subdivision 6; 16C.16, subdivisions 6, 7, 11, by adding a subdivision; 16E.0466;
1.16 16E.21, subdivision 2, by adding subdivisions; 17.117, subdivisions 4, 11a;
1.17 41A.12, subdivision 2; 62D.04, subdivision 1; 62D.08, subdivision 3; 62J.495,
1.18 subdivision 4; 62J.496, subdivision 1; 62J.497, subdivisions 1, 3; 62M.02,
1.19 subdivisions 12, 14, 15, 17, by adding subdivisions; 62M.05, subdivisions 3a,
1.20 3b; 62M.06, subdivisions 2, 3; 62M.07; 62M.09, subdivision 3; 62M.11; 62Q.81,
1.21 subdivision 4; 62V.05, subdivision 2; 84.091, subdivision 2; 84.798, subdivision
1.22 2; 84.8035; 85.015, subdivision 13; 89.0385; 93.0015, subdivision 3; 93.2236;
1.23 94.3495, subdivisions 2, 3, 7; 97A.405, subdivision 2; 97A.465, by adding a
1.24 subdivision; 115B.48, by adding a subdivision; 115B.50, subdivision 3, by
1.25 adding a subdivision; 115C.13; 115E.042; 116J.396, subdivision 2; 116J.423;
1.26 116J.424; 116J.431, subdivisions 1, 2, 4, 6; 116J.68; 116L.99; 116M.14,
1.27 subdivisions 2, 4, by adding subdivisions; 116M.15, subdivision 1; 116M.17,
1.28 subdivisions 2, 4; 116M.18; 119B.13, subdivision 1; 120B.021, subdivisions
1.29 1, 3; 120B.115; 120B.232; 120B.30, subdivision 2, by adding a subdivision;
1.30 120B.31, by adding a subdivision; 120B.35; 120B.36, as amended; 122A.61, by
1.31 adding a subdivision; 122A.63, subdivision 1; 122A.74; 123B.04, subdivision
1.32 2, by adding a subdivision; 123B.53, subdivision 5; 123B.535; 124D.091,
1.33 subdivisions 2, 3; 124D.1158, subdivisions 3, 4; 124D.135, subdivision 6, by
1.34 adding subdivisions; 124D.55; 124D.59, by adding a subdivision; 124D.68,
1.35 subdivision 2; 126C.05, subdivision 3; 126C.10, subdivisions 2d, 24; 127A.45,
1.36 subdivision 6a; 136A.101, subdivisions 5a, 10; 144A.75, subdivisions 5, 6, 8, by
1.37 adding a subdivision; 145.4716, subdivision 2, by adding a subdivision; 152.27,
1.38 subdivision 2, by adding a subdivision; 152.33, by adding a subdivision; 161.368;
1.39 165.14, subdivision 6; 168.017, by adding a subdivision; 168.021, subdivisions 1,

2.1 2, 2a; 168A.29, subdivision 1; 169.345, subdivisions 1, 2, 3; 171.06, subdivision
2.2 2; 171.07, by adding a subdivision; 174.185; 174.30, subdivisions 1, 4a, 8, by
2.3 adding a subdivision; 179A.041, by adding subdivisions; 198.03, subdivisions 2,
2.4 3; 214.075, subdivision 3; 216B.2424, subdivision 5a; 216B.62, subdivision 2, by
2.5 adding a subdivision; 219.015; 219.1651; 222.49; 222.50, subdivision 6; 237.012,
2.6 subdivision 1; 245.99, subdivision 2; 245A.10, subdivisions 2, 4, 8; 245C.03,
2.7 by adding a subdivision; 245C.04, subdivision 1; 245C.05, subdivisions 2b, 4,
2.8 7; 245C.08, subdivisions 2, 4; 245C.11, subdivision 3; 245C.17, subdivision 6;
2.9 245C.23, subdivision 2; 246.50, subdivision 7; 246.54, as amended; 246B.01,
2.10 subdivisions 1b, 2b; 246B.035; 246B.10; 254B.01, subdivision 4a; 254B.03,
2.11 subdivision 4; 254B.04, subdivision 2a; 254B.06, subdivision 2, by adding
2.12 a subdivision; 256.01, by adding a subdivision; 256B.04, subdivision 14;
2.13 256B.057, by adding a subdivision; 256B.059, subdivisions 1, 2, 3, by adding a
2.14 subdivision; 256B.06, subdivision 4; 256B.0621, subdivision 10; 256B.0622, by
2.15 adding a subdivision; 256B.0625, subdivisions 30, 34, by adding subdivisions;
2.16 256B.0924, by adding a subdivision; 256B.0949; 256B.15, subdivisions 1,
2.17 1a, 2; 256B.4912, by adding a subdivision; 256B.4914, subdivisions 5, 11;
2.18 256B.69, subdivision 6; 256B.761; 256D.051; 256L.01, subdivision 1a; 256L.04,
2.19 subdivisions 1, 1a, 2, 7; 256L.07, subdivision 1; 256L.11, subdivision 7; 256N.26,
2.20 subdivision 3; 260C.451, by adding a subdivision; 297B.01, subdivision 16;
2.21 297H.13, subdivision 2; 299A.41, subdivisions 3, 4; 299A.55; 299D.03,
2.22 subdivision 5; 327.14, subdivision 8; 353.01, subdivision 43; 360.013, by adding
2.23 a subdivision; 360.075, subdivisions 1, 2; 360.55, by adding a subdivision;
2.24 473.121, subdivision 2; 473.845, subdivision 1; 518.175, subdivision 5; 518A.34;
2.25 518A.35, subdivision 1; 518A.36; 609.3241; 626.556, subdivisions 3e, 10f;
2.26 Minnesota Statutes 2015 Supplement, sections 16A.724, subdivision 2; 16C.16,
2.27 subdivision 6a; 16C.19; 41A.14, subdivisions 1, 2; 41A.15, subdivision 10, by
2.28 adding subdivisions; 41A.16, subdivision 1; 41A.17, subdivisions 1, 2; 41A.18,
2.29 subdivision 1; 62U.04, subdivision 11; 116D.04, subdivision 2a; 116J.394;
2.30 120A.41; 120B.021, subdivision 4; 120B.31, subdivision 4; 120B.36, subdivision
2.31 1; 122A.21, subdivision 2; 122A.415, subdivision 4; 122A.61, subdivision 1;
2.32 123B.595, subdivisions 1, 10, 11; 124D.231, subdivision 2; 124D.59, subdivision
2.33 2; 124E.10, by adding a subdivision; 125A.08; 125A.11, subdivision 1; 125A.21,
2.34 subdivision 3; 125A.76, subdivision 2c; 125A.79, subdivision 1; 126C.05,
2.35 subdivision 1; 126C.10, subdivision 13a; 127A.47, subdivision 7; 136A.246,
2.36 by adding subdivisions; 136A.87; 144.061; 144.4961, subdivisions 3, 4, 5,
2.37 6, 8, by adding a subdivision; 144A.75, subdivision 13; 174.30, subdivisions
2.38 4, 10; 222.50, subdivision 7; 245.4889, subdivision 1; 245.735, subdivisions
2.39 3, 4; 245C.08, subdivision 1; 245D.03, subdivision 1; 254B.05, subdivision
2.40 5; 256B.059, subdivision 5; 256B.0625, subdivisions 17, 17a, 18a, 20, 31,
2.41 58; 256B.441, subdivisions 30, 66; 256B.4913, subdivision 4a; 256B.4914,
2.42 subdivisions 10, 14, 15; 256B.76, subdivisions 1, 2, 4; 256B.766; 256L.01,
2.43 subdivision 5; 256L.03, subdivision 5; 256L.04, subdivision 7b; 256L.05,
2.44 subdivision 3a; 256L.06, subdivision 3; 256L.15, subdivisions 1, 2; 256M.41,
2.45 subdivision 3; 256P.06, subdivision 3; 260C.203; 260C.212, subdivisions 1,
2.46 14; 260C.215, subdivision 4; 260C.451, subdivision 6; 260C.521, subdivision
2.47 1; 326B.988; 518A.26, subdivision 14; 518A.39, subdivision 2; 626.556,
2.48 subdivisions 2, 3c, 10b; Laws 1994, chapter 643, section 15, subdivision 8; Laws
2.49 2000, chapter 486, section 4, as amended; Laws 2011, First Special Session
2.50 chapter 11, article 4, section 8; Laws 2012, chapter 263, sections 1, as amended;
2.51 2; Laws 2013, chapter 108, article 14, section 2, subdivision 1, as amended;
2.52 Laws 2014, chapter 198, article 2, section 2; Laws 2014, chapter 312, article 11,
2.53 sections 10; 11; 13; 16; 18; article 12, section 6, subdivision 5, as amended;
2.54 Laws 2015, chapter 71, article 8, section 24; article 14, sections 4, subdivision
2.55 3; 9; Laws 2015, chapter 75, article 1, sections 1; 3, subdivisions 1, 2, 3; 4; 5,
2.56 subdivisions 1, 2, 3; Laws 2015, chapter 77, article 1, section 3; Laws 2015, First
2.57 Special Session chapter 1, article 1, sections 3, subdivisions 5, 6, 10; 4; 6; 8,
2.58 subdivisions 1, 7; 9; Laws 2015, First Special Session chapter 3, article 1, section

3.1 27, subdivisions 2, 4, 5, 6, 7, 9; article 2, section 70, subdivisions 2, 3, 4, 5, 6, 7,
 3.2 9, 11, 12, 15, 19, 21, 24, 26; article 3, section 15, subdivision 3; article 4, sections
 3.3 4; 9, subdivision 2; article 5, section 30, subdivisions 2, 3, 5; article 6, section 13,
 3.4 subdivisions 2, 3, 6, 7; article 7, section 7, subdivisions 2, 3, 4; article 9, section
 3.5 8, subdivisions 5, 6, 7, 9; article 10, section 3, subdivisions 2, 6, 7; article 11,
 3.6 section 3, subdivisions 2, 3; article 12, section 4, subdivision 2; Laws 2015,
 3.7 First Special Session chapter 4, article 1, sections 2, subdivision 4; 5; article 3,
 3.8 sections 2, subdivision 4; 3, subdivision 5; article 4, section 131; proposing
 3.9 coding for new law in Minnesota Statutes, chapters 13; 16C; 17; 41A; 62D; 62Q;
 3.10 62V; 86B; 103F; 116J; 116L; 120B; 122A; 124D; 125B; 136A; 136F; 144; 148;
 3.11 168; 168A; 198; 219; 256B; 260C; 260D; 325F; 360; 462A; 626; proposing
 3.12 coding for new law as Minnesota Statutes, chapters 146C; 147F; 153B; repealing
 3.13 Minnesota Statutes 2014, sections 144.058; 256B.059, subdivision 1a; 256L.04,
 3.14 subdivisions 2a, 8; 256L.22; 256L.24; 256L.26; 256L.28; Minnesota Statutes
 3.15 2015 Supplement, section 115B.48, subdivision 9; Laws 2015, First Special
 3.16 Session chapter 1, article 1, section 2, subdivision 8.

3.17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

3.18 **ARTICLE 1**

3.19 **HIGHER EDUCATION APPROPRIATIONS**

3.20 Section 1. **APPROPRIATIONS.**

3.21 The sums shown in the columns marked "Appropriations" are added to the
 3.22 appropriations in Laws 2015, chapter 69, article 1, unless otherwise specified, to the
 3.23 agencies and for the purposes specified in this article. The appropriations are from the
 3.24 general fund, or another named fund, and are available for the fiscal years indicated
 3.25 for each purpose. The figures "2016" and "2017" used in this article mean that the
 3.26 appropriations listed under them are available for the fiscal year ending June 30, 2016, or
 3.27 June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second year" is fiscal
 3.28 year 2017. "The biennium" is fiscal years 2016 and 2017.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2016</u>	<u>2017</u>

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

3.35 <u>Subdivision 1. Total Appropriations</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>17,570,000</u>
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3.36 The amounts that may be spent for each
 3.37 purpose are specified in the following
 3.38 subdivisions.

3.39 <u>Subd. 2. Equity in Postsecondary Education</u>				
3.40 <u>Grants</u>		<u>-0-</u>		<u>14,320,000</u>

4.1	<u>For equity in postsecondary attainment</u>		
4.2	<u>grants under section 15. This appropriation</u>		
4.3	<u>is available until June 30, 2020. Of this</u>		
4.4	<u>appropriation, \$100,000 may be used for</u>		
4.5	<u>administration expenses to administer</u>		
4.6	<u>the grant program. This is a onetime</u>		
4.7	<u>appropriation.</u>		
4.8	<u>Subd. 3. Teacher Diversity Recommendation</u>		
4.9	<u>and Report</u>	<u>-0-</u>	<u>80,000</u>
4.10	<u>For the teacher diversity recommendation</u>		
4.11	<u>and report under section 19. This is a onetime</u>		
4.12	<u>appropriation.</u>		
4.13	<u>Subd. 4. State Grant</u>	<u>-0-</u>	<u>1,735,000</u>
4.14	<u>For the state grant program under Minnesota</u>		
4.15	<u>Statutes, section 136A.121. This is a onetime</u>		
4.16	<u>appropriation.</u>		
4.17	<u>Subd. 5. Dual Credit, Parent Information</u>	<u>-0-</u>	<u>25,000</u>
4.18	<u>For the purpose of obtaining and providing</u>		
4.19	<u>information under Minnesota Statutes,</u>		
4.20	<u>section 136A.87, paragraph (b). The base for</u>		
4.21	<u>fiscal year 2018 and later is \$20,000.</u>		
4.22	<u>Subd. 6. Addiction Medicine Graduate</u>		
4.23	<u>Fellowship Program</u>	<u>-0-</u>	<u>210,000</u>
4.24	<u>For establishing a grant program used to</u>		
4.25	<u>support up to four physicians who are</u>		
4.26	<u>enrolled each year in an addiction medicine</u>		
4.27	<u>fellowship program. A grant recipient must</u>		
4.28	<u>be enrolled in a program that trains fellows</u>		
4.29	<u>in diagnostic interviewing, motivational</u>		
4.30	<u>interviewing, addiction counseling,</u>		
4.31	<u>recognition and care of common acute</u>		
4.32	<u>withdrawal syndromes and complications,</u>		
4.33	<u>pharmacotherapies of addictive disorders,</u>		
4.34	<u>epidemiology and pathophysiology of</u>		
4.35	<u>addiction, addictive disorders in special</u>		

5.1 populations, secondary interventions, use
 5.2 of screening and diagnostic instruments,
 5.3 inpatient care, and working within a
 5.4 multidisciplinary team, and prepares doctors
 5.5 to practice addiction medicine in rural and
 5.6 underserved areas of the state. The base for
 5.7 this program is \$210,000 in fiscal year 2018
 5.8 and 2019 and is zero in fiscal year 2020.

5.9 **Subd. 7. Dual Training** -0- 200,000

5.10 For making grants under Minnesota Statutes,
 5.11 section 136A.246, subdivision 8a. This
 5.12 appropriation is available until June 30, 2019.

5.13 **Subd. 8. Student and Employer Connection**
 5.14 **Information System** -0- 1,000,000

5.15 For student and employer connection
 5.16 information system under section 18. Up
 5.17 to \$100,000 of this appropriation may be
 5.18 spent for administrative expenses related
 5.19 to the appropriation. This is a onetime
 5.20 appropriation and is available until June 30,
 5.21 2019.

5.22 **Sec. 3. BOARD OF TRUSTEES OF THE**
 5.23 **MINNESOTA STATE COLLEGES AND**
 5.24 **UNIVERSITIES**

5.25 **Subdivision 1. Total Appropriations** **\$ -0- \$ 12,018,000**

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

5.29 **Subd. 2. Operating Support and Protecting**
 5.30 **Affordability** -0- 10,000,000

5.31 **Subd. 3. Principals' Leadership Institute** -0- 200,000

5.32 For a grant to the Minnesota State University
 5.33 Mankato Principals' Leadership Institute
 5.34 under Minnesota Statutes, section 136A.89.

6.1	<u>Subd. 4. Early Childhood Online Program</u>	<u>-0-</u>	<u>100,000</u>
6.2	<u>To develop a multicampus online program</u>		
6.3	<u>for early childhood teacher preparation. This</u>		
6.4	<u>is a onetime appropriation.</u>		
6.5	<u>Subd. 5. MnSCU Open Textbooks</u>	<u>-0-</u>	<u>100,000</u>
6.6	<u>(a) For programs on system campuses</u>		
6.7	<u>that promote adoption of open textbooks.</u>		
6.8	<u>Programs must focus on the review, creation,</u>		
6.9	<u>and promotion of new or existing open</u>		
6.10	<u>textbooks and on saving money for students</u>		
6.11	<u>while meeting the academic needs of faculty.</u>		
6.12	<u>This is a onetime appropriation.</u>		
6.13	<u>(b) By January 15, 2017, the board shall</u>		
6.14	<u>report to the chairs and ranking minority</u>		
6.15	<u>members of the legislative committees with</u>		
6.16	<u>jurisdiction over higher education regarding</u>		
6.17	<u>the progress of the pilot programs. The</u>		
6.18	<u>report shall include a summary of each pilot</u>		
6.19	<u>program and the total savings expected for</u>		
6.20	<u>students as a result of the programs.</u>		
6.21	<u>Subd. 6. MnSCU Open Textbook Library</u>	<u>-0-</u>	<u>100,000</u>
6.22	<u>To expand and promote the open textbook</u>		
6.23	<u>library to faculty across the state. This is a</u>		
6.24	<u>onetime appropriation.</u>		
6.25	<u>Subd. 7. Developmentally Delayed Student</u>		
6.26	<u>Pilot</u>	<u>-0-</u>	<u>750,000</u>
6.27	<u>For the pilot program for developmentally</u>		
6.28	<u>delayed students under section 17. The base</u>		
6.29	<u>for fiscal year 2018 and later is \$853,000.</u>		
6.30	<u>Subd. 8. Supplemental Instruction and Data</u>		
6.31	<u>Reporting</u>	<u>-0-</u>	<u>768,000</u>
6.32	<u>For activities and reporting under Minnesota</u>		
6.33	<u>Statutes, section 136F.33. This is a onetime</u>		
6.34	<u>appropriation.</u>		

8.1 for students in recovery from alcohol,
8.2 chemical, or other addictive behaviors.
8.3 Program activities may include, but are not
8.4 limited to, specialized professional support
8.5 through academic, career, and financial
8.6 advising; establishment of on-campus
8.7 or residential peer support communities;
8.8 and opportunities for personal growth
8.9 through leadership development and other
8.10 community engagement activities.

8.11 (c) No later than January 15, 2020, the
8.12 Board of Regents must submit a report to
8.13 the chairs and ranking minority members of
8.14 the legislative committees with jurisdiction
8.15 over higher education finance and policy on
8.16 campus recovery program outcomes. Based
8.17 on available data, the report must describe,
8.18 in summary form, the number of students
8.19 participating in the program and the success
8.20 rate of participants, including retention and
8.21 graduation rates, and long-term recovery and
8.22 relapse rates.

8.23 Sec. 5. **MNSCU TWO-YEAR COLLEGE PROGRAM; ADMINISTRATIVE**
8.24 **COSTS.**

8.25 The appropriation made by Laws 2015, chapter 69, article 1, section 3, subdivision
8.26 18, paragraph (c), for fiscal year 2017 for information technology and administrative costs
8.27 is available on the effective date of this section and until June 30, 2017.

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

8.29 Sec. 6. Minnesota Statutes 2014, section 122A.74, is amended to read:

8.30 **122A.74 PRINCIPALS' LEADERSHIP INSTITUTE, UNIVERSITY OF**
8.31 **MINNESOTA.**

8.32 ~~Subdivision 1. **Establishment.**~~ (a) The commissioner of education may contract
8.33 with the ~~Minnesota State University Mankato~~ or the regents of the University of Minnesota

9.1 to establish a Principals' Leadership Institute to provide professional development to
9.2 school principals by:

9.3 (1) creating a network of leaders in the educational and business communities to
9.4 communicate current and future trends in leadership techniques;

9.5 (2) helping to create a vision for the school that is aligned with the community
9.6 and district priorities;

9.7 (3) developing strategies to retain highly qualified teachers and ensure that diverse
9.8 student populations, including at-risk students, children with disabilities, English learners,
9.9 and gifted students, among others, have equal access to these highly qualified teachers; and

9.10 (4) providing training to analyze data using culturally competent tools.

9.11 (b) The University of Minnesota must cooperate with participating members of the
9.12 business community to provide funding and content for the institute.

9.13 (c) Participants must agree to attend the Principals' Leadership Institute for four
9.14 weeks during the academic summer.

9.15 (d) The Principals' Leadership Institute must incorporate program elements offered
9.16 by leadership programs at the University of Minnesota and program elements used by
9.17 the participating members of the business community to enhance leadership within their
9.18 businesses.

9.19 (e) The board of each school district in the state may select a principal, upon the
9.20 recommendation of the district's superintendent and based on the principal's leadership
9.21 potential, to attend the institute.

9.22 (f) The school board annually shall forward its list of recommended participants to
9.23 the commissioner by February 1. In addition, a principal may submit an application
9.24 directly to the commissioner by February 1. The commissioner shall notify the school
9.25 board, the principal candidates, and the University of Minnesota of the principals selected
9.26 to participate in the Principals' Leadership Institute each year.

9.27 ~~Subd. 2. **Method of selection and requirements.** (a) The board of each school~~
9.28 ~~district in the state may select a principal, upon the recommendation of the district's~~
9.29 ~~superintendent and based on the principal's leadership potential, to attend the institute.~~

9.30 ~~(b) The school board annually shall forward its list of recommended participants~~
9.31 ~~to the commissioner by February 1. In addition, a principal may submit an application~~
9.32 ~~directly to the commissioner by February 1. The commissioner shall notify the school~~
9.33 ~~board, the principal candidates, and the University of Minnesota of the principals selected~~
9.34 ~~to participate in the Principals' Leadership Institute each year.~~

9.35 Sec. 7. Minnesota Statutes 2014, section 136A.101, subdivision 5a, is amended to read:

10.1 Subd. 5a. **Assigned family responsibility.** "Assigned family responsibility" means
10.2 the amount of a family's contribution to a student's cost of attendance, as determined by a
10.3 federal need analysis. For dependent students, the assigned family responsibility is ~~96~~ 94
10.4 percent of the parental contribution. For independent students with dependents other than
10.5 a spouse, the assigned family responsibility is ~~86~~ 85 percent of the student contribution.
10.6 For independent students without dependents other than a spouse, the assigned family
10.7 responsibility is ~~50~~ 49 percent of the student contribution.

10.8 Sec. 8. Minnesota Statutes 2014, section 136A.101, subdivision 10, is amended to read:

10.9 Subd. 10. **Satisfactory academic progress.** "Satisfactory academic progress"
10.10 means satisfactory academic progress as defined under Code of Federal Regulations, title
10.11 34, sections 668.16(e), 668.32(f), and 668.34, except that a student with an intellectual
10.12 disability as defined in Code of Federal Regulations, title 34, section 668.231, enrolled
10.13 in an approved comprehensive transition and postsecondary program under that section
10.14 is subject to the institution's published satisfactory academic process standards for that
10.15 program as approved by the Office of Higher Education.

10.16 Sec. 9. Minnesota Statutes 2015 Supplement, section 136A.246, is amended by adding
10.17 a subdivision to read:

10.18 Subd. 8a. **Support grants.** The commissioner, from appropriations specifically
10.19 made for the purposes of this subdivision, may provide grants to school districts and
10.20 community colleges for the purpose of providing exposure and connection to teachers and
10.21 staff, students, and employers regarding industry occupational pathways and employment
10.22 with employers in the region.

10.23 Sec. 10. Minnesota Statutes 2015 Supplement, section 136A.246, is amended by
10.24 adding a subdivision to read:

10.25 Subd. 10. **Dual training account.** A dual training account is created in the special
10.26 revenue fund in the state treasury. The commissioner shall deposit into the account
10.27 appropriations made for the purposes of this section. Money in the account is appropriated
10.28 to the commissioner for the purposes for which it was appropriated.

10.29 Sec. 11. Minnesota Statutes 2015 Supplement, section 136A.246, is amended by
10.30 adding a subdivision to read:

11.1 Subd. 11. **Administration expenses.** The commissioner may expend up to five
11.2 percent of the appropriation made for the purposes of this section for administration
11.3 of this section.

11.4 Sec. 12. Minnesota Statutes 2015 Supplement, section 136A.87, is amended to read:

11.5 **136A.87 PLANNING INFORMATION FOR POSTSECONDARY**
11.6 **EDUCATION.**

11.7 (a) The office shall make available to all residents beginning in 7th grade through
11.8 adulthood information about planning and preparing for postsecondary opportunities.
11.9 Information must be provided to all 7th grade students and their parents annually
11.10 by September 30 about planning for their postsecondary education. The office may
11.11 also provide information to high school students and their parents, to adults, and to
11.12 out-of-school youth.

11.13 (b) The office must make reasonable efforts to obtain publicly available information
11.14 about the dual credit acceptance policies of each Minnesota, Wisconsin, South Dakota,
11.15 and North Dakota public and private college and university. This information must be
11.16 shared on the office's Web site and included in the information under paragraph (a).

11.17 (c) The information provided under paragraph (a) may include the following:

11.18 (1) the need to start planning early;

11.19 (2) the availability of assistance in educational planning from educational institutions
11.20 and other organizations;

11.21 (3) suggestions for studying effectively during high school;

11.22 (4) high school courses necessary to be adequately prepared for postsecondary
11.23 education;

11.24 (5) encouragement to involve parents actively in planning for all phases of education;

11.25 (6) information about postsecondary education and training opportunities existing
11.26 in the state, their respective missions and expectations for students, their preparation
11.27 requirements, admission requirements, and student placement;

11.28 (7) ways to evaluate and select postsecondary institutions;

11.29 (8) the process of transferring credits among Minnesota postsecondary institutions
11.30 and systems;

11.31 (9) the costs of postsecondary education and the availability of financial assistance
11.32 in meeting these costs, including specific information about the Minnesota Promise;

11.33 (10) the interrelationship of assistance from student financial aid, public assistance,
11.34 and job training programs; and

11.35 (11) financial planning for postsecondary education.

12.1 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and
12.2 later.

12.3 Sec. 13. **[136A.89] PRINCIPAL LEADERSHIP INSTITUTE.**

12.4 (a) The commissioner may contract with the Minnesota State University Mankato to
12.5 establish a Principals' Leadership Institute to provide licensed principals in Minnesota
12.6 with a research-based and evaluated professional development experience focused on
12.7 instructional and organizational leadership by:

12.8 (1) creating a network of educational leaders who demonstrate strong instructional
12.9 leadership, racial equity leadership, and the skills to lead for all students;

12.10 (2) advancing student achievement in school districts through the continuous
12.11 development of courageous and results-driven principal leaders;

12.12 (3) developing leaders who cultivate a school culture where every student is fully
12.13 engaged, educated, and included; and

12.14 (4) developing principal leaders who create a culture of high standards for all
12.15 students and demonstrate the ability to build teacher development so that culturally
12.16 responsive practices occur in all classrooms.

12.17 (b) Minnesota State University Mankato must partner with participating district or
12.18 charter school leadership to bridge professional development learning from the Principals'
12.19 Leadership Institute to the district at large.

12.20 (c) Participants must agree to attend all sessions of the Principals' Leadership Institute.

12.21 (d) The Principals' Leadership Institute must base the program content and
12.22 curriculum on current research-based best practices in educational leadership that lead to
12.23 accelerated achievement growth for all students.

12.24 (e) School district or charter school leadership in the state may recommend a licensed
12.25 principal for participation in the program based on the principal's leadership potential.

12.26 (f) The school board or charter school board must submit the list of recommended
12.27 participants to the Principals' Leadership Institute by July 1 each year. Principals from a
12.28 school district or charter school whose leadership is engaged in intentional work focused
12.29 on eliminating the predictable racial achievement disparities within their district or school
12.30 must receive priority selection for attending the Principals' Leadership Institute.

12.31 Sec. 14. **[136F.33] SUPPLEMENTAL AND DEVELOPMENTAL EDUCATION.**

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

13.1 (b) "Academic weakness" means an academic skill determined to be below college
13.2 ready according to a formalized assessment.

13.3 (c) "Corequisite" means a course or other requirement that is taken simultaneously
13.4 with a credit-bearing course for the purpose of providing targeted support.

13.5 (d) "Credit-bearing course" means a college entry-level course that meets the
13.6 requirements for a diploma, certificate, or degree.

13.7 (e) "Developmental education" means the building of foundational skills in noncredit
13.8 courses or programs to promote academic success in college-level coursework.

13.9 (f) "Gateway course" means an initial credit-bearing course in a subject.

13.10 (g) "Supplemental instruction" means a targeted support model for students with
13.11 academic weaknesses to promote academic success in credit-bearing courses.

13.12 (h) "Targeted support" means academic support, including but not limited to
13.13 tutoring and directed group study time, related to increasing a student's understanding of
13.14 a credit-bearing course.

13.15 Subd. 2. **Program requirements.** (a) The board shall develop and implement varied
13.16 research-grounded tiered approaches to supplemental instruction and developmental
13.17 education based on student academic readiness. The tiered approach must minimize the
13.18 placement of students in developmental education under subdivision 5 by providing a
13.19 supplemental instruction course structure that results in earning the equivalent of credit in
13.20 a credit-bearing course while providing targeted support to a student who:

13.21 (1) did not meet the minimum course placement criteria for a credit-bearing course;
13.22 and

13.23 (2) using multiple measures of assessment, is identified as likely to succeed in a
13.24 credit-bearing course if targeted support is provided.

13.25 (b) The board shall establish campus-specific tiered approaches including strategies
13.26 under subdivision 3 that are:

13.27 (1) focused on the skills and competencies essential for success in the math and
13.28 English college-level courses; and

13.29 (2) based on the nature of individual campus academic programming and the needs
13.30 of specific campus student populations.

13.31 (c) To facilitate the transfer of credits, the transcript record for a supplemental
13.32 instruction course must include a credit-bearing course or a designation of equivalency to
13.33 a specific credit-bearing course.

13.34 (d) The board shall make available to students on its Web site, in course catalogs, and
13.35 by other methods at the discretion of the board, the supplemental instruction, developmental
13.36 education, and corequisite courses offered at a particular college or university.

14.1 Subd. 3. **Support strategies.** (a) The board shall continuously monitor and adopt
14.2 strategies that have the potential or that have proven to increase the placement and success
14.3 of students in credit-bearing courses. If the board finds that strategies are successful at
14.4 one campus or program, the board must assess whether the strategies would be beneficial
14.5 campuswide or systemwide and, if it determines that it would, must implement the strategy
14.6 for all campus or system programs in which the strategy is predicted to be successful. The
14.7 board may discontinue the strategy for those programs where it does not prove beneficial.

14.8 (b) Consistent with subdivision 2, strategies may include, but are not limited to:

14.9 (1) replacing developmental or remedial courses, when appropriate, with corequisite
14.10 courses in which students with academic weaknesses are placed into introductory
14.11 credit-bearing courses while receiving supplemental academic instruction on the same
14.12 subject and during the same term;

14.13 (2) expanding proactive advising, including the use of early alert systems or
14.14 requiring the approval of an adviser or counselor to register for certain classes;

14.15 (3) developing meta-majors in broad academic disciplines as an alternative to
14.16 undecided majors;

14.17 (4) making available alternative mathematics curriculum, including curriculum most
14.18 relevant to the student's chosen area of study;

14.19 (5) implementing "opt-out scheduling" by automatically enrolling students in a
14.20 schedule of courses chosen by the student's department but allowing students to disenroll
14.21 from those courses if they meet with an academic adviser and cosign a change of
14.22 enrollment form; and

14.23 (6) facilitating the transfer of credits between state colleges and universities.

14.24 Subd. 4. **Assessments and advising.** (a) Common student placement assessments
14.25 must provide information identifying academic weaknesses that must be provided to the
14.26 student. A student assessed below college ready must be provided:

14.27 (1) materials designed to address identified academic weaknesses;

14.28 (2) support to prepare for and retake placement assessments;

14.29 (3) postassessment advising to assist in making informed decisions on identifying
14.30 academic weaknesses and targeting supplemental instruction options; and

14.31 (4) additional targeted support while enrolled in college-level math and English
14.32 courses.

14.33 (b) Intrusive advising must be provided to a student who participates in supplemental
14.34 instruction programs but has been unsuccessful in achieving academic success. Advising
14.35 must include career and employment options, alternative career pathways, and related
14.36 educational opportunities.

15.1 Subd. 5. **Developmental education.** (a) The board shall create a framework to
15.2 redesign developmental education to provide a student who does not meet the criteria for
15.3 inclusion in a supplemental instruction course the opportunity to complete gateway math
15.4 and English courses within one academic year. The board must provide developmental
15.5 education to a student or advise the student to enroll in adult basic education.

15.6 (b) The board shall not require a student who has successfully taken a developmental
15.7 course under section 124D.09, subdivision 10, to participate in a developmental education
15.8 course in the same subject area.

15.9 Subd. 6. **Report.** Annually by January 15, the board shall report to the chairs and
15.10 ranking minority members of the legislative committees with primary jurisdiction over
15.11 higher education finance on the goal of increasing the placement and success of students
15.12 in credit-bearing courses. The report must, at a minimum, include:

15.13 (1) the following information on board activities:

15.14 (i) strategies the board has adopted at each campus under subdivision 2, paragraph (b);

15.15 (ii) strategies that have been discontinued at each campus; and

15.16 (iii) strategies being considered for systemwide implementation; and

15.17 (2) the following information on students:

15.18 (i) the number and percent of students placed in developmental education;

15.19 (ii) the number and percent of students who complete developmental education
15.20 within one academic year;

15.21 (iii) the number and percent of students that complete gateway courses in math
15.22 and English in one academic year;

15.23 (iv) the student retention rate;

15.24 (v) time to complete a degree or certificate; and

15.25 (vi) credits earned by those completing a degree, certificate, or other program.

15.26 The report must disaggregate student data by race, ethnicity, Pell Grant eligibility,
15.27 and age and provide aggregate data.

15.28 **Sec. 15. EQUITY IN EDUCATION AND JOB CONNECTION GRANT**
15.29 **PROGRAM.**

15.30 Subdivision 1. **Grants.** (a) The commissioner of the Office of Higher Education
15.31 shall award grants to improve postsecondary attendance, completion, and retention and
15.32 the obtaining of well-paying jobs for which the postsecondary education provides training
15.33 by providing services to historically underrepresented college students. Grants must be
15.34 awarded to Minnesota state colleges and universities and private organization programs
15.35 that help the state reach the attainment goals under Minnesota Statutes, section 135A.012.

16.1 Programs must provide services targeted to make the improvements including, but not
16.2 limited to:

16.3 (1) academic and nonacademic counseling or advising;

16.4 (2) mentoring in education and career opportunities;

16.5 (3) structured tutoring;

16.6 (4) career awareness and exploration including internships and post graduation
16.7 job placements;

16.8 (5) orientation to college life;

16.9 (6) financial aid counseling;

16.10 (7) academic instruction programs in core curricular areas of mathematics and
16.11 language arts;

16.12 (8) supplemental instruction programs for college courses with high failure and
16.13 withdrawal rates; and

16.14 (9) co-requisite college course models for delivery of academic support.

16.15 (b) The office shall structure the grants for sustainability of programs funded by a
16.16 grant.

16.17 (c) To the extent there are sufficient qualified applicants, approximately 50 percent
16.18 of grant dollars must be awarded to private organization programs.

16.19 Subd. 2. **Application process.** (a) The commissioner shall develop a grant
16.20 application process. The commissioner shall attempt to support projects in a manner that
16.21 ensures that eligible students throughout the state have access to program services.

16.22 (b) The grant application must include, at a minimum, the following information:

16.23 (1) a description of the characteristics of the students to be served reflective of the
16.24 need for services listed in subdivision 1;

16.25 (2) a description of the services to be provided and a timeline for implementation
16.26 of the service activities;

16.27 (3) a description of how the services provided will foster postsecondary retention
16.28 and completion;

16.29 (4) a description of how the services will be evaluated to determine whether the
16.30 program goals were met;

16.31 (5) the history of the applicant in achieving successful improvements using the
16.32 services for which a grant is sought;

16.33 (6) the assumed cost per student of achieving successful outcomes;

16.34 (7) the effect of the grant on assisting students to obtain well-paying jobs;

16.35 (8) the proposed grant match;

16.36 (9) the organizational commitment to program sustainability; and

17.1 (10) other information as identified by the commissioner.

17.2 Grant recipients must specify both program and student outcome goals, and performance
17.3 measures for each goal.

17.4 Subd. 3. **Advisory committee.** The commissioner may establish and convene an
17.5 advisory committee to assist the commissioner in reviewing applications and advise the
17.6 commissioner on grantees and grant amounts. The members of the committee may include
17.7 representatives of postsecondary institutions, organizations providing postsecondary
17.8 academic and career services, and others deemed appropriate by the commissioner.

17.9 Subd. 4. **Outcome report.** Each grant recipient must annually submit a report to
17.10 the Office of Higher Education identifying its program and student goals and activities
17.11 implemented. A report must include, but not be limited to, information on:

17.12 (1) number of students served;

17.13 (2) course taking and grade point average of participating students;

17.14 (3) persistence and retention rates of participating students;

17.15 (4) postsecondary graduation rates of participating students;

17.16 (5) the number of students who required postsecondary academic remediation and
17.17 number of remedial courses for each of those students and in the aggregate; and

17.18 (6) jobs and wage rates of students after postsecondary graduation.

17.19 To the extent possible, the report must breakdown outcomes by Pell grant qualification,
17.20 race, and ethnicity.

17.21 Subd. 5. **Legislative report.** By January 15 of each year through 2021, the office
17.22 shall submit a report to the chairs and ranking minority members of the committees in the
17.23 house of representatives and the senate with jurisdiction over higher education finance
17.24 regarding the grant recipients and their activities. The report shall include information
17.25 about the students served, the organizations providing services, program activities,
17.26 program goals and outcomes, and program revenue sources and funding levels.

17.27 Sec. 16. **STATE GRANT TUITION CAPS.**

17.28 For the purposes of the state grant program under Minnesota Statutes, section
17.29 136A.121, for the fiscal year ending June 30, 2017, the tuition maximum is \$5,736
17.30 for students in two-year programs and the tuition maximum is \$14,186 for students in
17.31 four-year programs.

17.32 Sec. 17. **STATE UNIVERSITIES; PILOT PROGRAM FOR STUDENTS WITH**
17.33 **INTELLECTUAL AND DEVELOPMENTAL DISABILITIES.**

18.1 Subdivision 1. **Pilot program created.** (a) The Board of Trustees of the Minnesota
18.2 State Colleges and Universities must offer a pilot academic program as described in
18.3 this section for students with intellectual and developmental disabilities. The pilot is for
18.4 students entering the program in the 2017-2018 academic year. The program must be
18.5 offered at a total of four state university or college campuses that have the ability to offer
18.6 a robust program using existing facilities, including residential facilities. The campuses
18.7 selected must, to the extent possible, be located in different geographic regions of the state.

18.8 (b) In designing the pilot program, the Board of Trustees must consult with PACER
18.9 Center, Inc., the Minnesota Governor's Council on Developmental Disabilities, Arc
18.10 Minnesota, and other interested stakeholder groups. The board must also consult with
18.11 administrators of similar programs at other postsecondary institutions.

18.12 Subd. 2. **Program enrollment and admission.** The enrollment goal for each
18.13 campus's pilot program must be at least ten incoming students per academic year. Students
18.14 must be admitted based on an application process that includes an in-person interview;
18.15 an independent assessment of an applicant's interest, motivation, and likelihood of
18.16 success in the program; and any other eligibility requirements established by the board.
18.17 Upon successful completion, a student must be awarded a certificate, diploma, or other
18.18 appropriate academic credential.

18.19 Subd. 3. **Program curriculum and activities.** (a) The pilot program must provide
18.20 an inclusive, two-year full-time residential college experience for students with intellectual
18.21 and developmental disabilities. The required curriculum must include core courses
18.22 that develop life skills, financial literacy, and the ability to live independently; rigorous
18.23 academic work in a student's chosen field of study; and an internship, apprenticeship, or
18.24 other skills-based experience to prepare for meaningful employment upon completion
18.25 of the program.

18.26 (b) In addition to academic requirements, the program must offer participating
18.27 students the opportunity to engage fully in campus life. Program activities must include
18.28 but are not limited to (1) the establishment of on-campus mentoring and peer support
18.29 communities and (2) opportunities for personal growth through leadership development
18.30 and other community engagement activities.

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

18.34 Subd. 4. **Progress reports to legislature.** The board must submit progress reports
18.35 on the pilot program required by this section to the chairs and ranking minority members

19.1 of the committees in the house of representatives and the senate with jurisdiction over
19.2 higher education finance and policy and human services finance and policy as follows:

19.3 (1) no later than January 15, 2017, a report describing plans for implementation of
19.4 the program and recruitment of applicants, including identification of anticipated program
19.5 needs that cannot be filled using existing campus or system resources; and

19.6 (2) no later than January 15, 2019, a report describing program operations, including
19.7 information on participation and expected completion rates, the feasibility of program
19.8 expansion to other state university campuses, and detail on any unmet program needs.

19.9 **Sec. 18. STUDENT AND EMPLOYER CONNECTION INFORMATION**
19.10 **SYSTEM.**

19.11 The commissioner of the Office of Higher Education shall issue a request for
19.12 proposal no later than July 1, 2016, for a Web-based job and intern-seeking software tool
19.13 that matches the needs of employers located in Minnesota with the individual profiles of
19.14 high school seniors and postsecondary students attending Minnesota high schools and
19.15 postsecondary institutions. The commissioner shall no later than October 1, 2016, select a
19.16 provider. The selected provider must have experience that demonstrates both prior similar
19.17 software development ability and implementation outcomes of successful blind matching
19.18 of job candidates and employers in furtherance of Minnesota's workforce diversity and
19.19 inclusion objectives. The commissioner shall contract for the development of the system.

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

19.21 **Sec. 19. COMMISSIONER OF THE OFFICE OF HIGHER EDUCATION;**
19.22 **TEACHER DIVERSITY RECOMMENDATIONS AND REPORT.**

19.23 (a) The commissioner of the Office of Higher Education, in consultation with
19.24 the Board of Teaching, the Office of Educator Licensing at the Minnesota Department
19.25 of Education, and other interested stakeholders, including councils and other local
19.26 organizations serving communities of color or American Indian communities, diverse
19.27 K-12 educator candidates and licensed educators, human resources personnel, parent
19.28 representatives, urban, suburban, and rural school district and school board associations
19.29 and organizations, teacher representatives, other organizations focused on teacher diversity
19.30 in education, public and nonpublic higher education systems and institutions, and local
19.31 ethnic-focused media, shall prepare and submit a report to the legislature recommending
19.32 how best to realize the goal of providing all students, including low-income students,
19.33 American Indian students, and students of color with improved and equitable access to
19.34 effective, more diverse teachers, consistent with state policy. The commissioner must

20.1 consider the substance of state policy and paragraphs (b) and (c) in developing the
20.2 recommendations in the report.

20.3 (b) The commissioner's recommendations must address at least the following:

20.4 (1) ensuring transparency and accountability by requiring traditional and alternative
20.5 teacher preparation programs to publicly report enrollment and completion data for
20.6 diverse teacher licensure candidates and by requiring districts to publicly report data on
20.7 the demographic disparities between enrolled students and licensed teachers employed in
20.8 the district and its school;

20.9 (2) expanding pathways to licensure by encouraging districts to develop programs
20.10 with two- and four-year institutions and with community-based organizations to recruit
20.11 and support diverse populations of enrolled students, nonlicensed district employees, and
20.12 local community members in becoming licensed teachers in the district, facilitating the
20.13 ability of diverse, nontraditional teacher candidates to change careers and pursue licensure
20.14 through community college pathways, bachelor's degree programs or postbaccalaureate
20.15 teacher preparation programs, and creating statewide campaigns to encourage diverse
20.16 candidates to become licensed teachers;

20.17 (3) providing diverse teacher licensure candidates with the preparation and skills
20.18 needed to become effective teachers, removing inequitable barriers to licensure presented
20.19 by licensure exams, and for purposes of attaining a full professional license, allowing
20.20 candidates to demonstrate their skills proficiency through alternatives to teacher skills and
20.21 college entrance exams;

20.22 (4) providing financial assistance and incentives such as scholarships, student
20.23 teaching stipends, and loan forgiveness programs to encourage diverse individuals to attain
20.24 a teaching, counseling, or social work license or advanced degree, otherwise improve their
20.25 professional practice, or become school administrators, and using a hiring bonus to recruit
20.26 more diverse teachers into a district or school; and

20.27 (5) supporting induction and retention programs by funding teacher residency and
20.28 mentoring programs that support the retention and professional development of diverse
20.29 teachers and focusing teachers' professional development opportunities on cultural fluency
20.30 and competency.

20.31 (c) The commissioner must include in the report, as appropriate, any
20.32 recommendations for amendments to the following statutes and any related statutes:

20.33 (1) the world's best work force under Minnesota Statutes, section 120B.11;

20.34 (2) regional centers of excellence under Minnesota Statutes, section 120B.115;

20.35 (3) Board of Teaching duties under Minnesota Statutes, section 122A.09,

20.36 subdivisions 4 and 4a;

21.1 (4) teacher continuing or employment contracts and peer review and mentorship
21.2 under Minnesota Statutes, sections 122A.40 and 122A.41;

21.3 (5) the alternative teacher professional pay system agreement under Minnesota
21.4 Statutes, section 122A.414, subdivision 2;

21.5 (6) staff development programs under Minnesota Statutes, section 122A.60;

21.6 (7) American Indian grants, scholarships, and loan programs under Minnesota
21.7 Statutes, section 122A.63;

21.8 (8) teacher residency programs under Minnesota Statutes, section 122A.68;

21.9 (9) the ability of the Board of Teaching to arrange for student teachers under
21.10 Minnesota Statutes, section 122A.69;

21.11 (10) the ability of school districts to develop mentoring programs for teachers of
21.12 color under Minnesota Statutes, section 122A.70;

21.13 (11) the legislature's support of research on the effectiveness of teacher preparation
21.14 programs under Minnesota Statutes, section 122A.71;

21.15 (12) teacher centers to help teachers learn, experiment, assess, and improve to meet
21.16 students' needs under Minnesota Statutes, section 122A.72; and

21.17 (13) the teacher shortage loan forgiveness program under Minnesota Statutes,
21.18 section 136A.1791.

21.19 (d) The commissioner must submit the report to the chairs and ranking minority
21.20 members of the committees in the house of representatives and the senate with jurisdiction
21.21 over education by February 1, 2017.

21.22 **Sec. 20. UNIVERSITY OF MINNESOTA BUDGET ALLOCATION REPORT.**

21.23 The Board of Regents of the University of Minnesota shall report by February 1,
21.24 2017, to the chairs and ranking minority members of the legislative committees with
21.25 primary jurisdiction over higher education finance on the factors it considers when
21.26 allocating funds to system campuses. The report must specifically, without limitation,
21.27 address the following questions:

21.28 (1) what circumstances would lead the university to adopt an alternate budget model
21.29 to the Resource Responsibility Center (RRC) model for a system campus;

21.30 (2) what were the rationale and factors considered for the initial base budget
21.31 allocation to system campuses when the RRC was first established; and

21.32 (3) what factors would lead the university to consider adjusting the initial base
21.33 allocation model.

ARTICLE 2

ECONOMIC DEVELOPMENT

Section 1. APPROPRIATIONS.

The sums shown in the columns under "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2015, First Special Session chapter 1, article 1, or other law to the specified agencies. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figure "2017" used in this article means that the appropriations listed under it are available for the fiscal year ending June 30, 2017.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2016</u>	<u>2017</u>

Sec. 2. DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT

Subdivision 1. Total Appropriation \$ -0- \$ 34,445,000

Appropriations by Fund

<u>General</u>	<u>-0-</u>	<u>33,445,000</u>
<u>Workforce Development</u>	<u>-0-</u>	<u>1,000,000</u>

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

Subd. 2. Business and Community Development -0- 30,595,000

\$2,000,000 in fiscal year 2017 is for the redevelopment program under Minnesota Statutes, section 116J.571. This is a onetime appropriation.

\$1,220,000 in fiscal year 2017 is for a grant to the Duluth North Shore Sanitary District to retire debt of the district in order to bring the district's monthly wastewater rates in line with those of similarly situated

23.1 facilities across the state. This is a onetime
23.2 appropriation.

23.3 \$275,000 in fiscal year 2017 is for a grant to
23.4 the Community and Economic Development
23.5 Associates (CEDA) for an economic
23.6 development study and analysis of the effects
23.7 of current and projected economic growth
23.8 in southeast Minnesota. This is a onetime
23.9 appropriation and is available until June 30,
23.10 2019.

23.11 \$300,000 in fiscal year 2017 is for expansion
23.12 of business assistance services provided by
23.13 business development specialists located in
23.14 the Northwest Region, Northeast Region,
23.15 West Central Region, Southwest Region,
23.16 Southeast Region, and Twin Cities Metro
23.17 Region offices established throughout the
23.18 state. Funds under this section may be used
23.19 to provide services including, but not limited
23.20 to, business start-ups; expansion; location or
23.21 relocation; finance; regulatory and permitting
23.22 assistance; and other services determined
23.23 by the commissioner. The commissioner
23.24 may also use funds under this section to
23.25 increase the number of business development
23.26 specialists in each region of the state,
23.27 increase and expand the services provided
23.28 through each regional office, and publicize
23.29 the services available and provide outreach
23.30 to communities in each region regarding
23.31 services and assistance available through the
23.32 business development specialist program.

23.33 This is a onetime appropriation.

23.34 \$50,000 in fiscal year 2017 is to enhance
23.35 the outreach and public awareness activities

24.1 of the Bureau of Small Business under
24.2 Minnesota Statutes, section 116J.68. This is
24.3 a onetime appropriation.

24.4 \$750,000 in fiscal year 2017 is for a grant to
24.5 Enterprise Minnesota, Inc. Of this amount,
24.6 \$375,000 is for the small business growth
24.7 acceleration program under Minnesota
24.8 Statutes, section 116O.115, and \$375,000
24.9 is for operations under Minnesota Statutes,
24.10 sections 116O.01 to 116O.061. This is a
24.11 onetime appropriation.

24.12 \$2,000,000 in fiscal year 2017 is for
24.13 the Minnesota Initiative program under
24.14 Minnesota Statutes, section 116M.18.
24.15 Of this amount, up to five percent is for
24.16 administration, outreach, and monitoring of
24.17 the program. This is a onetime appropriation.

24.18 \$500,000 in fiscal year 2017 is for making
24.19 capacity building grants under Minnesota
24.20 Statutes, section 116M.18, subdivision 9.
24.21 This is a onetime appropriation.

24.22 \$3,500,000 in fiscal year 2017 is for grants to
24.23 initiative foundations to provide financing
24.24 for business startups, expansions, and
24.25 maintenance; and for business ownership
24.26 transition and succession. This is a onetime
24.27 appropriation. Of the amount appropriated:

24.28 (1) \$500,000 is for a grant to the Southwest
24.29 Initiative Foundation;

24.30 (2) \$500,000 is for a grant to the West Central
24.31 Initiative Foundation;

24.32 (3) \$500,000 is for a grant to the Southern
24.33 Minnesota Initiative Foundation;

25.1 (4) \$500,000 is for a grant to the Northwest
25.2 Minnesota Foundation;

25.3 (5) \$500,000 is for a grant to the Initiative
25.4 Foundation;

25.5 (6) \$500,000 is for a grant to the Northland
25.6 Foundation; and

25.7 (7) \$500,000 is for a grant to the Minnesota
25.8 Initiative Board under Minnesota Statutes,
25.9 chapter 116M. Funds available under this
25.10 clause must be allocated as follows:

25.11 (i) 50 percent of the funds must be allocated
25.12 for projects in the counties of Dakota,
25.13 Ramsey, and Washington; and

25.14 (ii) 50 percent of the funds must be allocated
25.15 for projects in the counties of Anoka, Carver,
25.16 Hennepin, and Scott.

25.17 \$600,000 in fiscal year 2017 is for a grant to
25.18 a city of the second class that is designated
25.19 as an economically depressed area by the
25.20 United States Department of Commerce for
25.21 economic development, redevelopment, and
25.22 job creation programs and projects. This is a
25.23 onetime appropriation and is available until
25.24 June 30, 2019.

25.25 \$5,500,000 in fiscal year 2017 is for a grant to
25.26 the Minnesota Film and TV Board for the film
25.27 production jobs program under Minnesota
25.28 Statutes, section 116U.26. This appropriation
25.29 is in addition to the appropriation in Laws
25.30 2015, First Special Session chapter 1,
25.31 article 1, section 2, subdivision 2. This is
25.32 a onetime appropriation. Of this amount,
25.33 \$250,000 is for grants to Hmong-American
25.34 filmmakers that have directed or produced

26.1 prior feature-length stories to produce
26.2 projects within Minnesota.

26.3 \$150,000 in fiscal year 2017 is for a grant
26.4 to the city of Edina to conduct a feasibility
26.5 study of constructing Grandview Green over
26.6 Highway 100 in Edina. This is a onetime
26.7 appropriation.

26.8 \$10,000,000 in fiscal year 2017 is for deposit
26.9 in the Minnesota 21st century fund. This is a
26.10 onetime appropriation.

26.11 \$400,000 in fiscal year 2017 is for grants to
26.12 small business development centers under
26.13 Minnesota Statutes, section 116J.68. Funds
26.14 made available under this section may be
26.15 used to match funds under the federal Small
26.16 Business Development Center (SBDC)
26.17 program under United States Code, title 15,
26.18 section 648, provide consulting and technical
26.19 services, or to build additional SBDC
26.20 network capacity to serve entrepreneurs
26.21 and small businesses. The commissioner
26.22 shall allocate funds equally among the nine
26.23 regional centers and lead center. This is a
26.24 onetime appropriation.

26.25 \$3,100,000 in fiscal year 2017 is for a transfer
26.26 to the Board of Regents of the University
26.27 of Minnesota for academic and applied
26.28 research through MnDRIVE at the Natural
26.29 Resources Research Institute to develop new
26.30 technologies that enhance the long-term
26.31 viability of the Minnesota mining industry.
26.32 The research must be done in consultation
26.33 with the Mineral Coordinating Committee
26.34 established by Minnesota Statutes, section
26.35 93.0015. This is a onetime transfer.

27.1 \$250,000 in fiscal year 2017 is for a grant to
 27.2 the city of Kelliher for water infrastructure
 27.3 upgrades. This is a onetime appropriation
 27.4 and is available until June 30, 2019.

27.5 **Subd. 3. Workforce Development** -0- 2,300,000

27.6	<u>Appropriations by Fund</u>		
27.7		<u>2016</u>	<u>2017</u>
27.8	<u>General</u>	<u>-0-</u>	<u>1,300,000</u>
27.9	<u>Workforce</u>		
27.10	<u>Development</u>	<u>-0-</u>	<u>1,000,000</u>

27.11 \$100,000 in fiscal year 2017 is for a
 27.12 grant to Ramsey County for a study of
 27.13 the workforce-based mass transit needs
 27.14 of the north metro area. Ramsey County
 27.15 may work in collaboration with officials in
 27.16 other counties including, but not limited
 27.17 to, Anoka and Washington Counties in
 27.18 producing the study. By December 1, 2017,
 27.19 Ramsey County must submit the report to
 27.20 the commissioner. By January 1, 2018, the
 27.21 commissioner must report to the chairs of the
 27.22 standing committees of the legislature having
 27.23 jurisdiction over workforce development
 27.24 and transportation. This is a onetime
 27.25 appropriation and is available until June 30,
 27.26 2018.

27.27 \$500,000 in fiscal year 2017 is from the
 27.28 workforce development fund for rural career
 27.29 counseling coordinators in the workforce
 27.30 service areas and for the purposes specified
 27.31 in Minnesota Statutes, section 116L.667.
 27.32 This appropriation is for increases to existing
 27.33 applicants who were awarded grants in fiscal
 27.34 years 2016 and 2017.

27.35 \$500,000 in fiscal year 2017 is for a grant to
 27.36 Occupational Development Corporation, Inc.

28.1 in the city of Buhl to provide training and
 28.2 employment opportunities for people with
 28.3 disabilities and disadvantaged workers. This
 28.4 is a onetime appropriation.

28.5 \$400,000 in fiscal year 2017 is for a grant
 28.6 to Northern Bedrock Historic Preservation
 28.7 Corps for the pathway to the preservation
 28.8 trades program for recruitment of corps
 28.9 members, engagement of technical
 28.10 specialists, development of a certificate
 28.11 program, and skill development in historic
 28.12 preservation for youth ages 18 to 25. This is
 28.13 a onetime appropriation.

28.14 \$300,000 in fiscal year 2017 is for the
 28.15 "Getting to Work" grant program. This is a
 28.16 onetime appropriation and is available until
 28.17 June 30, 2019.

28.18 \$500,000 in fiscal year 2017 is from the
 28.19 workforce development fund for a grant to
 28.20 the North East Higher Education District to
 28.21 purchase equipment for training programs
 28.22 due to increased demand for job training
 28.23 under the state dislocated worker program.

28.24 This is a onetime appropriation and is
 28.25 available until June 30, 2018.

28.26 Subd. 4. **Vocational rehabilitation** -0- 1,550,000

28.27 \$800,000 in fiscal year 2017 is for grants
 28.28 to centers for independent living under
 28.29 Minnesota Statutes, section 268A.11. This
 28.30 is a onetime appropriation and is in addition
 28.31 to the appropriation in Laws 2015, First
 28.32 Special Session chapter 1, article 1, section
 28.33 2, subdivision 6.

28.34 \$750,000 in fiscal year 2017 is for grants
 28.35 to day training and habilitation providers

29.1 to provide innovative employment options
 29.2 and to advance community integration for
 29.3 persons with disabilities as required under
 29.4 the Minnesota Olmstead Plan. Of this
 29.5 amount, \$250,000 is for a pilot program
 29.6 for home-based, technology-enhanced
 29.7 monitoring of persons with disabilities. This
 29.8 is a onetime appropriation and is available
 29.9 until June 30, 2018.

29.10 **Sec. 3. DEPARTMENT OF LABOR AND**
 29.11 **INDUSTRY**

<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>350,000</u>
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29.12 \$250,000 in fiscal year 2017 is from
 29.13 the workforce development fund for the
 29.14 apprenticeship program under Minnesota
 29.15 Statutes, chapter 178. This amount is added
 29.16 to the base appropriation for this purpose.

29.17 \$100,000 in fiscal year 2017 is to provide
 29.18 outreach and education concerning
 29.19 requirements under state or federal law
 29.20 governing removal of architectural barriers
 29.21 that limit access to public accommodations
 29.22 by persons with disabilities and resources
 29.23 that are available to comply with
 29.24 those requirements. This is a onetime
 29.25 appropriation.

29.26 **Sec. 4. EXPLORE MINNESOTA TOURISM**

<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>1,250,000</u>
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29.27 \$300,000 in fiscal year 2017 is for a grant to
 29.28 the Mille Lacs Tourism Council to enhance
 29.29 marketing activities related to tourism
 29.30 promotion in the Mille Lacs Lake area. This
 29.31 is a onetime appropriation.

29.32 \$950,000 in fiscal year 2017 is to establish a
 29.33 pilot project to assist in funding and securing
 29.34 major events benefiting communities

30.1 throughout the state. The pilot project must
 30.2 measure the economic impact of visitors on
 30.3 state and local economies, increased lodging
 30.4 and nonlodging sales taxes in addition
 30.5 to visitor spending, and increased media
 30.6 awareness of the state as an event destination.

30.7 This is a onetime appropriation. Of this
 30.8 amount, \$100,000 is for a grant to the St.
 30.9 Louis County Historical Society for a project,
 30.10 in collaboration with the Erie Mining history
 30.11 book project team, to research, document,
 30.12 publish, preserve, and exhibit the history of
 30.13 taconite mining in Minnesota.

30.14 **Sec. 5. PUBLIC EMPLOYMENT**
 30.15 **RELATIONS BOARD**

\$

-0- \$

525,000

30.16 \$525,000 in fiscal year 2017 is for the
 30.17 Public Employment Relations Board under
 30.18 Minnesota Statutes, section 179A.041.
 30.19 The base appropriation for this purpose is
 30.20 \$525,000 in fiscal year 2018 and \$525,000 in
 30.21 fiscal year 2019.

30.22 **Sec. 6. HOUSING FINANCE AGENCY**

\$

-0- \$

2,500,000

30.23 \$1,000,000 in fiscal year 2017 is to establish
 30.24 a grant program within the housing trust fund
 30.25 for the exploited families rental assistance
 30.26 program. This is a onetime appropriation and
 30.27 is available until June 30, 2019.

30.28 \$500,000 in fiscal year 2017 is for a
 30.29 competitive grant program to fund a housing
 30.30 project or projects in a community or
 30.31 communities: (1) that have low housing
 30.32 vacancy rates; and (2) that have an education
 30.33 and training center for jobs in agriculture,
 30.34 farm business management, health care

31.1 fields, or other fields with anticipated
 31.2 significant job growth potential. A grant or
 31.3 grants must be no more than 50 percent of
 31.4 the total development costs for the project.
 31.5 Funds for a grant or grants made in this
 31.6 section must be to a housing project or
 31.7 projects that have financial and in-kind
 31.8 contributions from nonagency sources
 31.9 that when combined with a grant under
 31.10 this section are sufficient to complete the
 31.11 housing project. Funds must be used to
 31.12 create new housing units either through
 31.13 new construction or through acquisition and
 31.14 rehabilitation of a building or buildings not
 31.15 currently used for housing. If funds remain
 31.16 uncommitted at the end of fiscal year 2017,
 31.17 the agency may transfer the uncommitted
 31.18 funds to the housing development fund and
 31.19 use the funds for the economic development
 31.20 and housing challenge program under
 31.21 Minnesota Statutes, section 462A.33. This is
 31.22 a onetime appropriation.

31.23 \$1,000,000 in fiscal year 2017 is for the
 31.24 Workforce and Affordable Homeownership
 31.25 Development Program under Minnesota
 31.26 Statutes, section 462A.38. This is a onetime
 31.27 appropriation and is available until June 30,
 31.28 2019.

31.29 **Sec. 7. COMMERCE** **\$** **-0-** **\$** **1,006,000**

31.30 \$500,000 in fiscal year 2017 is for increased
 31.31 civil insurance fraud investigation. This is a
 31.32 onetime appropriation.

31.33 \$290,000 in fiscal year 2017 is to fund two
 31.34 positions to return abandoned property to
 31.35 owners, newspaper publication, and related

32.1 technology upgrades under Minnesota
32.2 Statutes, section 345.42. This is a onetime
32.3 appropriation.
32.4 \$66,000 in fiscal year 2017 is for the
32.5 commissioner of commerce to seek any
32.6 necessary federal approvals to modify the
32.7 boundaries of and reduce the number of the
32.8 state's designated geographic rating areas for
32.9 purposes of setting health plan premiums in
32.10 the individual health insurance market. This
32.11 is a onetime appropriation.
32.12 \$150,000 in fiscal year 2017 is for the
32.13 commissioner of commerce to:
32.14 (1) study and create models of potential
32.15 Minnesota-tailored rate-stability mechanisms
32.16 for the individual marketplace, such as a
32.17 reinsurance program;
32.18 (2) study and create models merging the
32.19 state's individual and small group markets;
32.20 and
32.21 (3) study options for making the state's rate
32.22 review process more transparent utilizing
32.23 public information and hearings.
32.24 The commissioner may seek other private
32.25 funds or grants to supplement the costs of
32.26 the studies. The commissioner shall issue
32.27 a report on the preliminary findings of the
32.28 studies to the chairs and ranking minority
32.29 members of the committees in the house
32.30 of representatives and the senate with
32.31 jurisdiction over health and marketplace
32.32 premiums by January 15, 2017.

32.33 Sec. 8. Minnesota Statutes 2014, section 13.43, subdivision 6, is amended to read:

33.1 Subd. 6. **Access by labor organizations, the Bureau of Mediation Services,**
33.2 **and the Public Employment Relations Board.** Personnel data may be disseminated to
33.3 labor organizations and the Public Employment Relations Board to the extent that the
33.4 responsible authority determines that the dissemination is necessary to conduct elections,
33.5 notify employees of fair share fee assessments, and implement the provisions of chapters
33.6 179 and 179A. Personnel data shall be disseminated to labor organizations, the Public
33.7 Employment Relations Board, and to the Bureau of Mediation Services to the extent the
33.8 dissemination is ordered or authorized by the commissioner of the Bureau of Mediation
33.9 Services, or the Public Employment Relations Board or its designee.

33.10 **EFFECTIVE DATE.** This section is effective July 1, 2016.

33.11 Sec. 9. **[13.7909] PUBLIC EMPLOYMENT RELATIONS BOARD DATA.**

33.12 Subdivision 1. **Definition.** For purposes of this section, "board" means the Public
33.13 Employment Relations Board.

33.14 Subd. 2. **Not public data.** (a) Except as provided in this subdivision, all data
33.15 maintained by the board about a charge or complaint of unfair labor practices and
33.16 appeals of determinations of the commissioner under section 179A.12, subdivision 11,
33.17 are classified as protected nonpublic data or confidential data, and become public when
33.18 admitted into evidence at a hearing conducted pursuant to section 179A.13. The data may
33.19 be subject to a protective order as determined by the board or a hearing officer.

33.20 (b) Notwithstanding sections 13.43 and 181.932, the following data are public:

33.21 (1) the filing date of unfair labor practice charges;

33.22 (2) the status of unfair labor practice charges as an original or amended charge;

33.23 (3) the names and job classifications of charging parties and charged parties;

33.24 (4) the provisions of law alleged to have been violated in unfair labor practice charges;

33.25 (5) the complaint issued by the board and all data in the complaint;

33.26 (6) the full and complete record of an evidentiary hearing before a hearing officer,

33.27 including the hearing transcript, exhibits admitted into evidence, and posthearing briefs,

33.28 unless subject to a protective order;

33.29 (7) recommended decisions and orders of hearing officers pursuant to section

33.30 179A.13, subdivision 1, paragraph (i);

33.31 (8) exceptions to the hearing officer's recommended decision and order filed with the

33.32 board pursuant to section 179A.13, subdivision 1, paragraph (k);

33.33 (9) briefs filed with the board; and

33.34 (10) decisions and orders issued by the board.

34.1 (c) Notwithstanding paragraph (a), individuals have access to their own statements
34.2 provided to the board under paragraph (a).

34.3 (d) The board may make any data classified as protected nonpublic or confidential
34.4 pursuant to this subdivision accessible to any person or party if the access will aid the
34.5 implementation of chapters 179 and 179A or ensure due process protection of the parties.

34.6 **EFFECTIVE DATE.** This section is effective July 1, 2016.

34.7 Sec. 10. Minnesota Statutes 2014, section 116J.423, is amended to read:

34.8 **116J.423 MINNESOTA MINERALS 21ST CENTURY FUND.**

34.9 Subdivision 1. **Created.** The Minnesota ~~minerals~~ 21st century fund is created
34.10 as a separate account in the treasury. Money in the account is appropriated to the
34.11 commissioner of employment and economic development for the purposes of this section.
34.12 All money earned by the account, loan repayments of principal and interest, and earnings
34.13 on investments must be credited to the account. For the purpose of this section, "fund"
34.14 means the Minnesota ~~minerals~~ 21st century fund. The commissioner shall operate the
34.15 account as a revolving account.

34.16 Subd. 2. **Use of fund.** The commissioner shall use money in the fund to make loans
34.17 or equity investments in mineral, steel, or ~~taconite~~ any other industry processing facilities,
34.18 steel production facilities, facilities for the manufacturing of renewable energy products,
34.19 or facilities for the manufacturing of biobased or biomass products, manufacturing, or
34.20 technology project that would enhance the economic diversification and that are is located
34.21 within the taconite relief tax area as defined under section 273.134. The commissioner
34.22 must, prior to making any loans or equity investments and after consultation with industry
34.23 and public officials, develop a strategy for making loans and equity investments that
34.24 assists the ~~Minnesota mineral industry in becoming globally competitive~~ taconite relief
34.25 area in retaining and enhancing its economic competitiveness. Money in the fund may
34.26 also be used to pay for the costs of carrying out the commissioner's due diligence duties
34.27 under this section.

34.28 Subd. 2a. **Grants authorized.** Notwithstanding subdivision 2, the commissioner
34.29 may use money in the fund to make grants to a municipality or county, or to a county
34.30 regional rail authority as appropriate, for public infrastructure needed to support an
34.31 eligible project under this section. Grant money may be used by the municipality, county,
34.32 or regional rail authority to acquire right-of-way and mitigate loss of wetlands and runoff
34.33 of storm water; to predesign, design, construct, and equip roads and rail lines; and, in
34.34 cooperation with municipal utilities, to predesign, design, construct, and equip natural

35.1 gas pipelines, electric infrastructure, water supply systems, and wastewater collection and
 35.2 treatment systems. Grants made under this subdivision are available until expended.

35.3 Subd. 3. **Requirements prior to committing funds.** The commissioner, prior to
 35.4 making a commitment for a loan or equity investment must, at a minimum, conduct due
 35.5 diligence research regarding the proposed loan or equity investment, including contracting
 35.6 with professionals as needed to assist in the due diligence.

35.7 Subd. 4. **Requirements for fund disbursements.** The commissioner may make
 35.8 conditional commitments for loans or equity investments but disbursements of funds
 35.9 pursuant to a commitment may not be made until commitments for the remainder of a
 35.10 project's funding are made that are satisfactory to the commissioner and disbursements
 35.11 made from the other commitments sufficient to protect the interests of the state in its
 35.12 loan or investment.

35.13 Subd. 5. **Company contribution.** The commissioner may provide loans or equity
 35.14 investments that match, in a proportion determined by the commissioner, an investment
 35.15 made by the owner of a facility.

35.16 Sec. 11. Minnesota Statutes 2014, section 116J.424, is amended to read:

35.17 **116J.424 IRON RANGE RESOURCES AND REHABILITATION BOARD**
 35.18 **CONTRIBUTION.**

35.19 The commissioner of the Iron Range Resources and Rehabilitation Board with
 35.20 approval by the board, ~~shall~~ may provide an equal match for any loan or equity investment
 35.21 made for a ~~facility~~ project located in the tax relief area defined in section 273.134,
 35.22 paragraph (b), by the Minnesota ~~minerals~~ 21st century fund created by section 116J.423.
 35.23 The match may be in the form of a loan or equity investment, notwithstanding whether
 35.24 the fund makes a loan or equity investment. The state shall not acquire an equity interest
 35.25 because of an equity investment or loan by the board and the board at its sole discretion
 35.26 shall decide what interest it acquires in a project. The commissioner of employment and
 35.27 economic development may require a commitment from the board to make the match
 35.28 prior to disbursing money from the fund.

35.29 Sec. 12. Minnesota Statutes 2014, section 116J.431, subdivision 1, is amended to read:

35.30 Subdivision 1. **Grant program established; purpose.** (a) The commissioner shall
 35.31 make grants to counties or cities to provide up to 50 percent of the capital costs of public
 35.32 infrastructure necessary for an eligible economic development project. The county or city
 35.33 receiving a grant must provide for the remainder of the costs of the project, either in cash

36.1 or in kind. In-kind contributions may include the value of site preparation other than the
36.2 public infrastructure needed for the project.

36.3 (b) The purpose of the grants made under this section is to keep or enhance jobs in
36.4 the area, increase the tax base, or to expand or create new economic development.

36.5 (c) In awarding grants under this section, the commissioner must adhere to the
36.6 criteria under subdivision 4.

36.7 (d) If the commissioner awards a grant for less than 50 percent of the project, the
36.8 commissioner shall provide the applicant and the chairs and ranking minority members
36.9 of the senate and house of representatives committees with jurisdiction over economic
36.10 development finance a written explanation of the reason less than 50 percent of the capital
36.11 costs were awarded in the grant.

36.12 Sec. 13. Minnesota Statutes 2014, section 116J.431, subdivision 2, is amended to read:

36.13 Subd. 2. **Eligible projects.** An economic development project for which a county or
36.14 city may be eligible to receive a grant under this section includes:

36.15 (1) manufacturing;

36.16 (2) technology;

36.17 (3) warehousing and distribution;

36.18 (4) research and development;

36.19 (5) agricultural processing, defined as transforming, packaging, sorting, or grading
36.20 livestock or livestock products into goods that are used for intermediate or final
36.21 consumption, including goods for nonfood use; or

36.22 (6) industrial park development that would be used by any other business listed in
36.23 this subdivision even if no business has committed to locate in the industrial park at the
36.24 time the grant application is made.

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

36.26 Sec. 14. Minnesota Statutes 2014, section 116J.431, subdivision 4, is amended to read:

36.27 Subd. 4. **Application.** (a) The commissioner must develop forms and procedures
36.28 for soliciting and reviewing applications for grants under this section. At a minimum, a
36.29 county or city must include in its application a resolution of the county or city council
36.30 certifying that the required local match is available. The commissioner must evaluate
36.31 complete applications for eligible projects using the following criteria:

36.32 (1) the project is an eligible project as defined under subdivision 2;

37.1 (2) the project ~~will~~ is expected to result in or will attract substantial public and
37.2 private capital investment and provide substantial economic benefit to the county or city in
37.3 which the project would be located;

37.4 (3) the project is not relocating substantially the same operation from another
37.5 location in the state, unless the commissioner determines the project cannot be reasonably
37.6 accommodated within the county or city in which the business is currently located, or the
37.7 business would otherwise relocate to another state; and

37.8 (4) the project is expected to or will create or ~~maintain~~ retain full-time jobs.

37.9 (b) The determination of whether to make a grant for a site is within the discretion of
37.10 the commissioner, subject to this section. The commissioner's decisions and application of
37.11 the ~~priorities~~ criteria are not subject to judicial review, except for abuse of discretion.

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

37.13 Sec. 15. Minnesota Statutes 2014, section 116J.431, subdivision 6, is amended to read:

37.14 Subd. 6. **Maximum grant amount.** A county or city may receive no more than
37.15 ~~\$1,000,000~~ \$2,000,000 in two years for one or more projects.

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

37.17 Sec. 16. Minnesota Statutes 2014, section 116J.68, is amended to read:

37.18 **116J.68 BUREAU OF SMALL BUSINESS.**

37.19 Subdivision 1. **Generally.** The Bureau of Small Business within the business
37.20 assistance center shall serve as a clearinghouse, technical assistance center, and referral
37.21 service for information and other assistance needed by small businesses including small
37.22 targeted group businesses and small businesses located in an economically disadvantaged
37.23 area.

37.24 Subd. 2. **Duties.** The bureau shall:

37.25 (1) provide information and assistance with respect to all aspects of business
37.26 planning, business finance, and business management related to the start-up, operation, or
37.27 expansion of a small business in Minnesota;

37.28 (2) refer persons interested in the start-up, operation, or expansion of a small
37.29 business in Minnesota to assistance programs sponsored by federal agencies, state
37.30 agencies, educational institutions, chambers of commerce, civic organizations, community
37.31 development groups, private industry associations, and other organizations;

- 38.1 (3) plan, develop, and implement a master file of information on small business
38.2 assistance programs of federal, state, and local governments, and other public and private
38.3 organizations so as to provide comprehensive, timely information to the bureau's clients;
- 38.4 (4) employ staff with adequate and appropriate skills and education and training for
38.5 the delivery of information and assistance;
- 38.6 (5) seek out and utilize, to the extent practicable, contributed expertise and services
38.7 of federal, state, and local governments, educational institutions, and other public and
38.8 private organizations;
- 38.9 (6) maintain a close and continued relationship with the director of the procurement
38.10 program within the Department of Administration so as to facilitate the department's
38.11 duties and responsibilities under sections 16C.16 to 16C.19 relating to the small targeted
38.12 group business and economically disadvantaged business program of the state;
- 38.13 (7) develop an information system which will enable the commissioner and other
38.14 state agencies to efficiently store, retrieve, analyze, and exchange data regarding small
38.15 business development and growth in the state. All executive branch agencies of state
38.16 government and the secretary of state shall to the extent practicable, assist the bureau in
38.17 the development and implementation of the information system;
- 38.18 (8) establish and maintain a toll-free telephone number, e-mail account, and other
38.19 electronic contact mediums determined by the commissioner so that all small business
38.20 persons anywhere in the state ~~can call~~ may contact the bureau office for assistance.
38.21 An outreach program shall be established to make the existence of the bureau and the
38.22 assistance and services the bureau may provide to small businesses well known to its
38.23 potential clientele throughout the state. If the small business person requires a referral to
38.24 another provider the bureau may use the business assistance referral system established by
38.25 the Minnesota Project Outreach Corporation;
- 38.26 (9) conduct research and provide data as required by the state legislature;
- 38.27 (10) develop and publish material on all aspects of the start-up, operation, or
38.28 expansion of a small business in Minnesota;
- 38.29 (11) collect and disseminate information on state procurement opportunities,
38.30 including information on the procurement process;
- 38.31 (12) develop a public awareness program ~~through the use of~~ regarding state
38.32 assistance programs for small businesses, including those programs specifically for
38.33 socially disadvantaged small business persons. The commissioner may utilize print and
38.34 electronic newsletters, personal contacts, and advertising devices as defined in section
38.35 173.02, subdivision 16, social media, other electronic and print news media advertising
38.36 ~~about state assistance programs for small businesses, including those programs specifically~~

39.1 ~~for socially disadvantaged small business persons, and any other means determined by~~
39.2 ~~the commissioner;~~

39.3 (13) enter into agreements with the federal government and other public and private
39.4 entities to serve as the statewide coordinator or host agency for the federal small business
39.5 development center program under United States Code, title 15, section 648; and

39.6 (14) assist providers in the evaluation of their programs and the assessment of
39.7 their service area needs. The bureau may establish model evaluation techniques and
39.8 performance standards for providers to use.

39.9 Sec. 17. Minnesota Statutes 2014, section 116M.14, subdivision 2, is amended to read:

39.10 Subd. 2. **Board.** "Board" means the Urban Minnesota Initiative Board.

39.11 **EFFECTIVE DATE.** This section is effective July 1, 2016.

39.12 Sec. 18. Minnesota Statutes 2014, section 116M.14, is amended by adding a
39.13 subdivision to read:

39.14 Subd. 3a. **Department.** "Department" means the Department of Employment and
39.15 Economic Development.

39.16 **EFFECTIVE DATE.** This section is effective July 1, 2016.

39.17 Sec. 19. Minnesota Statutes 2014, section 116M.14, subdivision 4, is amended to read:

39.18 Subd. 4. **Low-income area.** "Low-income area" means:

39.19 (1) Minneapolis, St. Paul;

39.20 ~~(2) those cities in the metropolitan area as defined in section 473.121, subdivision~~
39.21 ~~2, that have an average income that is below 80 percent of the median income for a~~
39.22 ~~four-person family as of the latest report by the United States Census Bureau; and~~

39.23 ~~(3) (2) those cities in the metropolitan area, which contain two or more contiguous~~
39.24 ~~census tracts in which the average family income is less than 80 percent of the median~~
39.25 ~~family income for the Twin Cities metropolitan area as of the latest report by the United~~
39.26 ~~States Census Bureau.~~

39.27 **EFFECTIVE DATE.** This section is effective July 1, 2016.

39.28 Sec. 20. Minnesota Statutes 2014, section 116M.14, is amended by adding a
39.29 subdivision to read:

39.30 Subd. 4a. **Low-income person.** "Low-income person" means a person who has an
39.31 annual income, adjusted for family size, of not more than 80 percent of the area median

40.1 family income for the Twin Cities metropolitan area as of the latest report by the United
40.2 States Census Bureau.

40.3 **EFFECTIVE DATE.** This section is effective July 1, 2016.

40.4 Sec. 21. Minnesota Statutes 2014, section 116M.14, is amended by adding a
40.5 subdivision to read:

40.6 Subd. 4b. **Metropolitan area.** "Metropolitan area" has the meaning given in section
40.7 473.121, subdivision 2.

40.8 **EFFECTIVE DATE.** This section is effective July 1, 2016.

40.9 Sec. 22. Minnesota Statutes 2014, section 116M.14, is amended by adding a
40.10 subdivision to read:

40.11 Subd. 6. **Minority person.** "Minority person" means a person belonging to a racial
40.12 or ethnic minority as defined in Code of Federal Regulations, title 49, section 23.5.

40.13 **EFFECTIVE DATE.** This section is effective July 1, 2016.

40.14 Sec. 23. Minnesota Statutes 2014, section 116M.14, is amended by adding a
40.15 subdivision to read:

40.16 Subd. 7. **Program.** "Program" means the Minnesota Initiative program created
40.17 by this chapter.

40.18 **EFFECTIVE DATE.** This section is effective July 1, 2016.

40.19 Sec. 24. Minnesota Statutes 2014, section 116M.15, subdivision 1, is amended to read:

40.20 Subdivision 1. ~~Creation; membership~~ **Membership.** The ~~Urban~~ Minnesota
40.21 Initiative Board is created and consists of the commissioner of employment and economic
40.22 development, the chair of the Metropolitan Council, and ~~eight~~ 12 members from the general
40.23 public appointed by the governor. ~~Six~~ Nine of the public members must be representatives
40.24 from minority business enterprises. No more than ~~four~~ six of the public members may be of
40.25 one gender. Appointments must ensure balanced geographic representation. At least half
40.26 of the public members must have experience working to address racial income disparities.
40.27 All public members must be experienced in business or economic development.

40.28 **EFFECTIVE DATE.** This section is effective July 1, 2016.

40.29 Sec. 25. Minnesota Statutes 2014, section 116M.17, subdivision 2, is amended to read:

41.1 Subd. 2. **Technical assistance.** ~~The board through the department,~~ shall provide
 41.2 technical assistance and ~~development information services to state agencies, regional~~
 41.3 ~~agencies, special districts, local governments, and the public, with special emphasis on~~
 41.4 ~~minority communities~~ informational outreach about the program to lenders, nonprofit
 41.5 corporations, and low-income and minority communities throughout the state that support
 41.6 the development of business enterprises and entrepreneurs.

41.7 **EFFECTIVE DATE.** This section is effective July 1, 2016.

41.8 Sec. 26. Minnesota Statutes 2014, section 116M.17, subdivision 4, is amended to read:

41.9 Subd. 4. **Reports.** The board shall submit an annual report to the legislature of an
 41.10 accounting of loans made under section 116M.18, including information on loans to
 41.11 ~~minority business enterprises made, the number of jobs created by the program, the impact~~
 41.12 on low-income areas, and recommendations concerning minority business development
 41.13 and jobs for persons in low-income areas.

41.14 **EFFECTIVE DATE.** This section is effective July 1, 2016.

41.15 Sec. 27. Minnesota Statutes 2014, section 116M.18, is amended to read:

41.16 **116M.18 URBAN CHALLENGE GRANTS MINNESOTA INITIATIVE**
 41.17 **PROGRAM.**

41.18 Subdivision 1. **Establishment.** The Minnesota Initiative program is established to
 41.19 award grants to nonprofit corporations to fund loans to businesses owned by minority or
 41.20 low-income persons or women or veterans.

41.21 Subd. 1a. **Statewide loans.** To the extent there is sufficient eligible demand,
 41.22 loans shall be made so that an approximately equal dollar amount of loans are made to
 41.23 businesses in the metropolitan area as in the nonmetropolitan area. If funds remain after
 41.24 the ninth month of the fiscal year, those funds shall revert to the general loan pool and may
 41.25 be lent in any part of the state.

41.26 ~~Subdivision 1~~ Subd. 1b. **Eligibility rules Grants.** The board shall make urban
 41.27 challenge grants for use in low-income areas to nonprofit corporations to fund loans to
 41.28 businesses owned by minority or low-income persons or women or veterans to encourage
 41.29 private investment, to provide jobs for minority and low-income persons ~~and others in~~
 41.30 ~~low-income areas~~, to create and strengthen minority business enterprises, and to promote
 41.31 economic development in a low-income area. ~~The board shall adopt rules to establish~~
 41.32 ~~criteria for determining loan eligibility.~~

42.1 Subd. 2. **Challenge Grant eligibility; nonprofit corporation.** (a) The board
 42.2 may enter into agreements with nonprofit corporations to fund ~~and guarantee~~ loans the
 42.3 nonprofit corporation makes ~~in low-income areas under subdivision 4.~~ A corporation
 42.4 ~~must demonstrate that~~ to businesses owned by minority or low-income persons or
 42.5 women or veterans. The board shall evaluate applications from nonprofit corporations.
 42.6 In evaluating applications, the board must consider, among other things, whether the
 42.7 nonprofit corporation:

42.8 (1) ~~its~~ has a board of directors that includes citizens experienced in business
 42.9 and community development, minority business enterprises, addressing racial income
 42.10 disparities, and creating jobs in low-income areas for low-income and minority persons;

42.11 (2) ~~it~~ has the technical skills to analyze projects;

42.12 (3) ~~it~~ is familiar with other available public and private funding sources and
 42.13 economic development programs;

42.14 (4) ~~it~~ can initiate and implement economic development projects;

42.15 (5) ~~it~~ can establish and administer a revolving loan account or has operated a
 42.16 revolving loan account; and

42.17 (6) ~~it~~ can work with job referral networks which assist minority and ~~other persons in~~
 42.18 low-income areas low-income persons; and

42.19 (7) has established relationships with minority communities.

42.20 (b) The department shall review existing agreements with nonprofit corporations
 42.21 every five years and may renew or terminate the agreement based on the review. In making
 42.22 its review, the department shall consider, among other criteria, the criteria in paragraph (a).

42.23 Subd. 3. **Revolving loan fund.** (a) The board shall establish a revolving loan fund to
 42.24 make grants to nonprofit corporations for the purpose of making loans ~~and loan guarantees~~
 42.25 ~~to new and expanding businesses in a low-income area to promote~~ owned by minority or
 42.26 low-income persons or women or veterans and to support minority business enterprises
 42.27 and job creation for minority and other persons in low-income areas low-income persons.

42.28 (b) Nonprofit corporations that receive grants from the department under the
 42.29 program must establish a commissioner-certified revolving loan fund for the purpose
 42.30 of making eligible loans.

42.31 (c) Eligible business enterprises include, but are not limited to, technologically
 42.32 innovative industries, value-added manufacturing, and information industries. Loan
 42.33 applications given preliminary approval by the nonprofit corporation must be forwarded to
 42.34 the board for approval. The commissioner must give final approval for each loan or loan
 42.35 guarantee made by the nonprofit corporation. The amount of the state funds contributed to
 42.36 any loan or loan guarantee may not exceed 50 percent of each loan.

43.1 Subd. 4. **Business loan criteria.** (a) The criteria in this subdivision apply to loans
43.2 made ~~or guaranteed~~ by nonprofit corporations under the ~~urban challenge grant~~ program.

43.3 (b) Loans ~~or guarantees~~ must be made to businesses that are not likely to undertake
43.4 a project for which loans are sought without assistance from the ~~urban challenge grant~~
43.5 program.

43.6 (c) A loan ~~or guarantee~~ must be used for a project designed to benefit persons in
43.7 ~~low-income areas through the creation of job or business opportunities for them~~ to support
43.8 a business owned by a minority or a low-income person or woman or veteran. Priority
43.9 must be given for loans to the lowest income areas.

43.10 (d) The minimum state contribution to a loan ~~or guarantee~~ is \$5,000 and the
43.11 maximum is \$150,000.

43.12 (e) The state contribution must be matched by at least an equal amount of new
43.13 private investment.

43.14 (f) A loan may not be used for a retail development project.

43.15 (g) The business must agree to work with job referral networks that focus on
43.16 minority and low-income applicants ~~from low-income areas~~.

43.17 Subd. 4a. **Microenterprise loan.** ~~Urban challenge Program~~ grants may be
43.18 used to make microenterprise loans to small, beginning businesses, including a sole
43.19 proprietorship. Microenterprise loans are subject to this section except that:

43.20 (1) they may also be made to qualified retail businesses;

43.21 (2) they may be made for a minimum of ~~\$1,000~~ \$5,000 and a maximum of ~~\$25,000~~
43.22 \$35,000; and

43.23 (3) in a low-income area, they may be made for a minimum of \$5,000 and a
43.24 maximum of \$50,000; and

43.25 ~~(3)~~ (4) they do not require a match.

43.26 Subd. 5. **Revolving fund administration; rules.** (a) The board shall establish a
43.27 minimum interest rate for loans or guarantees to ensure that necessary loan administration
43.28 costs are covered.

43.29 (b) Loan repayment amounts ~~equal to one-half of the principal and interest~~ must be
43.30 ~~deposited in a revolving fund created by the board for challenge grants. The remaining~~
43.31 ~~amount of the loan repayment may be paid to the department for deposit in the revolving~~
43.32 loan fund. Loan interest payments must be deposited in a revolving loan fund created
43.33 by the nonprofit corporation originating the loan being repaid for further distribution,
43.34 consistent with the loan criteria ~~specified in subdivision 4~~ of this section.

43.35 (c) Administrative expenses of the ~~board and~~ nonprofit corporations with whom
43.36 the board enters into agreements ~~under subdivision 2~~, including expenses incurred by

44.1 a nonprofit corporation in providing financial, technical, managerial, and marketing
44.2 assistance to a business enterprise receiving a loan under subdivision 4, may be paid out of
44.3 the interest earned on loans and out of interest earned on money invested by the state Board
44.4 of Investment under section 116M.16, subdivision 2, as may be provided by the board.

44.5 ~~Subd. 6. **Rules.** The board shall adopt rules to implement this section.~~

44.6 Subd. 6a. **Nonprofit corporation loans.** The board may make loans to a nonprofit
44.7 corporation with which it has entered into an agreement under subdivision ~~4~~ 2. ~~These~~
44.8 ~~loans must be used to support a new or expanding business.~~ This support may include
44.9 such forms of financing as the sale of goods to the business on installment or deferred
44.10 payments, lease purchase agreements, or royalty investments in the business. The interest
44.11 rate charged by a nonprofit corporation for a loan under this subdivision must not exceed
44.12 the Wall Street Journal prime rate plus four percent. For a loan under this subdivision, the
44.13 nonprofit corporation may charge a loan origination fee equal to or less than one percent
44.14 of the loan value. The nonprofit corporation may retain the amount of the origination fee.
44.15 The nonprofit corporation must provide at least an equal match to the loan received by the
44.16 board. The maximum loan available to the nonprofit corporation under this subdivision is
44.17 \$50,000. Loans made to the nonprofit corporation under this subdivision may be made
44.18 without interest. Repayments made by the nonprofit corporation must be deposited in the
44.19 revolving fund created for ~~urban initiative program grants~~.

44.20 Subd. 7. **Cooperation.** A nonprofit corporation that receives ~~an urban challenge a~~
44.21 ~~program~~ grant shall cooperate with other organizations, including but not limited to,
44.22 community development corporations, community action agencies, and the Minnesota
44.23 small business development centers.

44.24 Subd. 8. **Reporting requirements.** A nonprofit corporation that receives a
44.25 ~~challenge program~~ grant shall:

44.26 (1) submit an annual report to the board by ~~September~~ March 30 of each year that
44.27 includes a description of ~~projects~~ businesses supported by the ~~urban challenge grant~~
44.28 program, an account of loans made during the calendar year, the program's impact on
44.29 minority business enterprises and job creation for minority persons and low-income
44.30 persons ~~in low-income areas~~, the source and amount of money collected and distributed by
44.31 the ~~urban challenge grant~~ program, the program's assets and liabilities, and an explanation
44.32 of administrative expenses; and

44.33 (2) provide for an independent annual audit to be performed in accordance with
44.34 generally accepted accounting practices and auditing standards and submit a copy of each
44.35 annual audit report to the board.

45.1 Subd. 9. **Capacity building grants.** The department may make grants to nonprofit
45.2 corporations for the purpose of building their capacity to meet the eligibility criteria for
45.3 the grant program under subdivision 2, or in applying for the Department of Employment
45.4 and Economic Development's business development competitive grant program. Funding
45.5 priority must be given to those applicants that can demonstrate that they have established
45.6 relationships with minority communities and have provided small business-related
45.7 services primarily to low-income and minority business enterprises.

45.8 **EFFECTIVE DATE.** This section is effective July 1, 2016.

45.9 Sec. 28. Minnesota Statutes 2014, section 179A.041, is amended by adding a
45.10 subdivision to read:

45.11 Subd. 10. **Open meetings.** Chapter 13D does not apply to meetings of the board
45.12 when it is deliberating on the merits of unfair labor practice charges under sections
45.13 179.11, 179.12, and 179A.13; reviewing a recommended decision and order of a hearing
45.14 officer under section 179A.13; reviewing decisions of the commissioner of the Bureau of
45.15 Mediation Services relating to unfair labor practices under section 179A.12, subdivision
45.16 11; or exercising its hiring authority under section 179A.041.

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

45.18 Sec. 29. Minnesota Statutes 2014, section 179A.041, is amended by adding a
45.19 subdivision to read:

45.20 Subd. 11. **Report.** The board shall prepare and submit a report to the governor
45.21 and the chairs and ranking minority members of the committees with jurisdiction over
45.22 the board by November 15, 2017. The report shall summarize the nature, number, and
45.23 resolution of charges filed with the board. The report shall cover the period of July
45.24 1, 2016, through June 30, 2017.

45.25 **EFFECTIVE DATE.** This section is effective July 1, 2016.

45.26 Sec. 30. Minnesota Statutes 2015 Supplement, section 326B.988, is amended to read:

45.27 **326B.988 EXCEPTIONS.**

45.28 (a) The provisions of sections 326B.95 to 326B.998 shall not apply to:

45.29 (1) boilers and pressure vessels in buildings occupied solely for residence purposes
45.30 with accommodations for not more than five families;

45.31 (2) railroad locomotives operated by railroad companies for transportation purposes;

- 46.1 (3) air tanks installed on the right-of-way of railroads and used directly in the
46.2 operation of trains;
- 46.3 (4) boilers and pressure vessels under the direct jurisdiction of the United States;
- 46.4 (5) unfired pressure vessels having an internal or external working pressure not
46.5 exceeding 15 psig with no limit on size;
- 46.6 (6) pressure vessels used for storage of compressed air not exceeding five cubic feet
46.7 in volume and equipped with an ASME code stamped safety valve set at a maximum of
46.8 100 psig;
- 46.9 (7) pressure vessels having an inside diameter not exceeding six inches;
- 46.10 (8) every vessel that contains water under pressure, including those containing air
46.11 that serves only as a cushion, whose design pressure does not exceed 300 psig and whose
46.12 design temperature does not exceed 210 degrees Fahrenheit;
- 46.13 (9) boiler or pressure vessels located on farms used solely for agricultural or
46.14 horticultural purposes; for purposes of this section, boilers used for mint oil extraction
46.15 are considered used for agricultural or horticultural purposes, provided that the owner or
46.16 lessee complies with the inspection requirements contained in section 326B.958;
- 46.17 (10) tanks or cylinders used for storage or transfer of liquefied petroleum gases;
- 46.18 (11) unfired pressure vessels in petroleum refineries;
- 46.19 (12) an air tank or pressure vessel which is an integral part of a passenger motor
46.20 bus, truck, or trailer;
- 46.21 (13) hot water heating and other hot liquid boilers not exceeding a heat input of
46.22 750,000 BTU per hour;
- 46.23 (14) hot water supply boilers (water heaters) not exceeding a heat input of 500,000
46.24 BTU per hour, a water temperature of 210 degrees Fahrenheit, a nominal water capacity
46.25 of 120 gallons, or a pressure of 160 psig;
- 46.26 (15) a laundry and dry cleaning press not exceeding five cubic feet of steam volume;
- 46.27 (16) pressure vessels operated full of water or other liquid not materially more
46.28 hazardous than water, if the vessel's contents' temperature does not exceed 210 degrees
46.29 Fahrenheit or a pressure of 200 psig;
- 46.30 (17) steam-powered turbines at papermaking facilities which are powered by steam
46.31 generated by steam facilities at a remote location;
- 46.32 (18) manually fired boilers for model locomotive, boat, tractor, stationary engine,
46.33 or antique motor vehicles constructed or maintained only as a hobby for exhibition,
46.34 educational or historical purposes and not for commercial use, if the boilers have an
46.35 inside diameter of 12 inches or less, or a grate area of two square feet or less, and are

47.1 equipped with an ASME stamped safety valve of adequate size, a water level indicator,
47.2 and a pressure gauge;

47.3 (19) any pressure vessel used as an integral part of an electrical circuit breaker;

47.4 (20) pressure vessels used for the storage of refrigerant if they are built to ASME
47.5 code specifications, registered with the national board, and equipped with an ASME
47.6 code-stamped pressure-relieving device set no higher than the maximum allowable
47.7 working pressure of the vessel. This does not include pressure vessels used in ammonia
47.8 refrigeration systems;

47.9 (21) pressure vessels used for the storage of oxygen, nitrogen, helium, carbon dioxide,
47.10 argon, nitrous oxide, or other medical gas, provided the vessel is constructed to ASME
47.11 or Minnesota Department of Transportation specifications and equipped with an ASME
47.12 code-stamped pressure-relieving device. The owner of the vessels shall perform annual
47.13 visual inspections and planned maintenance on these vessels to ensure vessel integrity;

47.14 (22) pressure vessels used for the storage of compressed air for self-contained
47.15 breathing apparatuses;

47.16 (23) hot water heating or other hot liquid boilers vented directly to the atmosphere;
47.17 and

47.18 (24) pressure vessels used for the storage of compressed air not exceeding 1.5 cubic
47.19 feet (11.22 gallons) in volume with a maximum allowable working pressure of 600 psi or
47.20 less.

47.21 (b) An engineer's license is not required for hot water supply boilers.

47.22 (c) An engineer's license and annual inspection by the department is not required
47.23 for boilers, steam cookers, steam kettles, steam sterilizers or other steam generators not
47.24 exceeding 100,000 BTU per hour input, 25 kilowatt, and a pressure of 15 psig.

47.25 (d) Electric boilers not exceeding a maximum working pressure of 50 psig,
47.26 maximum of 30 kilowatt input or three horsepower rating shall be inspected as pressure
47.27 vessels and shall not require an engineer license to operate.

47.28 (e) Sawmills, located in a county with a population of less than 8,000 according to
47.29 the last federal census and that utilize steam for the drying of lumber, are not required to
47.30 meet the high pressure boiler attendance requirements set forth in Minnesota Rules, part
47.31 5225.1180, only if all of the following conditions are met:

47.32 (1) the owner complies with the inspection requirements under section 326B.958,
47.33 and the licensing requirements under section 326B.972; and

47.34 (2) the boiler:

47.35 (i) is equipped with electronic control systems that are remotely operated but which
47.36 require on-site manual reset of system faults;

- 48.1 (ii) is remotely monitored for log water levels, boiler pressure, and steam flow;
- 48.2 (iii) has automatic safety mechanisms built into the remote monitoring systems that
- 48.3 send an alarm upon detection of a fault condition, and an on-site alarm that will sound
- 48.4 upon detection of a fault condition and which may be heard at a distance of 500 feet;
- 48.5 (iv) has a water treatment program that is supervised by a third party water treatment
- 48.6 company; and
- 48.7 (v) is attended on site by a licensed boiler operator at least two times in a 24-hour
- 48.8 period. If the boiler is not attended more than twice in a 24-hour period, the period
- 48.9 between checks must not be less than eight hours.

48.10 ~~This paragraph expires August 1, 2016.~~ This paragraph expires the sooner of August

48.11 1, 2018, or upon the effective date of a rule regulating high pressure boiler attendance

48.12 requirements at a sawmill described in this paragraph adopted after the effective date

48.13 of this act.

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

48.15 Sec. 31. **[462A.38] WORKFORCE AND AFFORDABLE HOMEOWNERSHIP**

48.16 **DEVELOPMENT PROGRAM.**

48.17 Subdivision 1. **Establishment.** A workforce and affordable homeownership

48.18 development program is established to award homeownership development grants

48.19 to nonprofit organizations, cooperatives created under chapter 308A or 308B, and

48.20 community land trusts created for the purposes outlined in section 462A.31, subdivision

48.21 1, for development of workforce and affordable homeownership projects. The purpose

48.22 of the program is to increase the supply of workforce and affordable, owner-occupied

48.23 multifamily or single-family housing throughout Minnesota.

48.24 Subd. 2. **Use of funds.** (a) Grant funds awarded under this program may be used for:

48.25 (1) development costs;

48.26 (2) rehabilitation;

48.27 (3) land development; and

48.28 (4) residential housing, including storm shelters and related community facilities.

48.29 (b) A project funded through the grant program shall serve households that meet the

48.30 income limits as provided in section 462A.33, subdivision 5, unless a project is intended

48.31 for the purpose outlined in section 462A.02, subdivision 6.

48.32 Subd. 3. **Application.** The commissioner shall develop forms and procedures for

48.33 soliciting and reviewing applications for grants under this section. The commissioner shall

48.34 consult with interested stakeholders when developing the guidelines and procedures for

49.1 the program. In making grants, the commissioner shall establish semiannual application
 49.2 deadlines in which grants will be authorized from all or part of the available appropriations.

49.3 Subd. 4. **Awarding grants.** Among comparable proposals, preference must be
 49.4 given to proposals that include contributions from nonstate resources for the greatest
 49.5 portion of the total development cost.

49.6 Subd. 5. **Statewide program.** The agency shall attempt to make grants in
 49.7 approximately equal amounts to applicants outside and within the metropolitan area.

49.8 Subd. 6. **Report.** Beginning January 15, 2018, the commissioner must annually
 49.9 submit a report to the chairs and ranking minority members of the senate and house of
 49.10 representatives committees having jurisdiction over housing and workforce development
 49.11 specifying the projects that received grants under this section and the specific purposes for
 49.12 which the grant funds were used.

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

49.14 Sec. 32. Minnesota Statutes 2014, section 473.121, subdivision 2, is amended to read:

49.15 Subd. 2. **Metropolitan area or area.** "Metropolitan area" or "area" means the area
 49.16 over which the Metropolitan Council has jurisdiction, including only the counties of
 49.17 Anoka; Carver; Dakota excluding the ~~city~~ cities of Northfield and Cannon Falls; Hennepin
 49.18 excluding the cities of Hanover and Rockford; Ramsey; Scott excluding the city of New
 49.19 Prague; and Washington.

49.20 Sec. 33. Laws 2015, First Special Session chapter 1, article 1, section 4, is amended to
 49.21 read:

49.22 **Sec. 4. EXPLORE MINNESOTA TOURISM \$ 14,118,000 \$ 14,248,000**

49.23 (a) To develop maximum private sector
 49.24 involvement in tourism, \$500,000 in fiscal
 49.25 year 2016 and \$500,000 in fiscal year 2017
 49.26 must be matched by Explore Minnesota
 49.27 Tourism from nonstate sources. Each \$1 of
 49.28 state incentive must be matched with \$6 of
 49.29 private sector funding. Cash match is defined
 49.30 as revenue to the state or documented cash
 49.31 expenditures directly expended to support
 49.32 Explore Minnesota Tourism programs. Up
 49.33 to one-half of the private sector contribution

50.1 may be in-kind or soft match. The incentive
 50.2 in fiscal year 2016 shall be based on fiscal
 50.3 year 2015 private sector contributions. The
 50.4 incentive in fiscal year 2017 shall be based on
 50.5 fiscal year 2016 private sector contributions.
 50.6 This incentive is ongoing. Of this amount,
 50.7 \$100,000 is for a grant to the Northern Lights
 50.8 International Music festival.

50.9 (b) Funding for the marketing grants is
 50.10 available either year of the biennium.
 50.11 Unexpended grant funds from the first year
 50.12 are available in the second year.

50.13 (c) \$30,000 in fiscal year 2016 is for Mille
 50.14 Lacs Lake tourism promotion. This is a
 50.15 onetime appropriation.

50.16 Sec. 34. Laws 2015, First Special Session chapter 1, article 1, section 6, is amended to
 50.17 read:

50.18	Sec. 6. BUREAU OF MEDIATION				<u>2,234,000</u>
50.19	SERVICES	\$	2,208,000	\$	<u>2,497,000</u>

50.20 (a) \$68,000 each year is for grants to area
 50.21 labor management committees. Grants may
 50.22 be awarded for a 12-month period beginning
 50.23 July 1 each year. Any unencumbered balance
 50.24 remaining at the end of the first year does not
 50.25 cancel but is available for the second year.

50.26 (b) ~~\$125,000 each year~~ in fiscal year 2016
 50.27 is for purposes of the Public Employment
 50.28 Relations Board under Minnesota Statutes,
 50.29 section 179A.041. This is a onetime
 50.30 appropriation.

50.31 (c) ~~\$256,000 each year is~~ in fiscal year
 50.32 2016 and \$394,000 in fiscal year 2017 are
 50.33 for the Office of Collaboration and Dispute
 50.34 Resolution under Minnesota Statutes, section

51.1 179.90. The base appropriation for this
51.2 purpose is \$394,000 in fiscal year 2018 and
51.3 \$394,000 in fiscal year 2019. Of this amount,
51.4 \$160,000 each year is for grants under
51.5 Minnesota Statutes, section 179.91, and
51.6 \$96,000 each year is for intergovernmental
51.7 and public policy collaboration and operation
51.8 of the office.

51.9 (d) \$250,000 is to complete the Case
51.10 Management System-Database Project Phase
51.11 II. This is a onetime appropriation.

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

51.13 **Sec. 35. DAY TRAINING AND HABILITATION GRANT PROGRAM.**

51.14 Subdivision 1. **Establishment.** The commissioner of employment and economic
51.15 development shall establish a day training and habilitation grant program in fulfillment
51.16 of the Olmstead Plan purpose of ensuring that people with disabilities have choices for
51.17 competitive, meaningful, and sustained employment in the most integrated setting.

51.18 Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms
51.19 have the meanings given them.

51.20 (b) "Day training and habilitation providers" means those organizations whose
51.21 names are listed as Department of Human Services providers in the Minnesota Department
51.22 of Administration, Materials Management Division, ALP Manual, Appendix J, without
51.23 regard to whether they are listed as approved vendors with the Minnesota Department
51.24 of Employment and Economic Development, Division of Rehabilitation Services as a
51.25 community rehabilitation provider, limited-use vendor, or center for independent living,
51.26 and irrespective as to whether they are accredited by CARF International.

51.27 (c) "Competitive employment" means full-time or part-time employment, with or
51.28 without support, in an integrated setting in the community that pays at least minimum
51.29 wage, as defined by the Fair Labor Standards Act, but not less than the customary wage
51.30 and level of benefits paid by the employer for the same or similar work performed by
51.31 workers without a disability.

51.32 (d) "Olmstead Plan" means Minnesota's 2013 Olmstead Plan, dated November 1,
51.33 2013, and all subsequent modifications approved by the United States District Court.

52.1 Subd. 3. **Competitive process.** The commissioner shall issue a request for proposals
52.2 to day training and habilitation providers seeking proposals to assist the Department
52.3 of Employment and Economic Development in achieving its goals as provided in the
52.4 Olmstead Plan. Grant funds shall be used to improve individual employment outcomes
52.5 by aligning programs, funding, and policies to support people with disabilities to choose,
52.6 secure, and maintain competitive employment and self-employment, including, but not
52.7 limited to, the following activities:

52.8 (1) implementing policies and initiating processes that improve the employment
52.9 outcomes of working adults with disabilities;

52.10 (2) offering incentives for innovation that increase competitive employment in
52.11 the general work force;

52.12 (3) expanding the flexibility in current funding and services to increase competitive
52.13 employment outcomes;

52.14 (4) providing evidence of partnerships with private sector businesses and public
52.15 sector employment; and

52.16 (5) submitting outcome data, required by the department, according to the
52.17 stipulations of the Olmstead Plan.

52.18 Subd. 4. **Eligibility.** Any person who has a disability as determined by the Social
52.19 Security Administration or state medical review team is eligible to receive services
52.20 provided with grant funds.

52.21 Subd. 5. **Consultation required.** The commissioner shall consult with the
52.22 governor's Workforce Development Council, the Commission of Deaf, DeafBlind, and
52.23 Hard-of-Hearing Minnesotans, the governor's Council on Developmental Disabilities, and
52.24 other governor-appointed disability councils in designing, implementing, and evaluating
52.25 the competitive grant program.

52.26 Subd. 6. **Report.** On or before February 1, 2017, and annually thereafter, the
52.27 commissioner shall report to the chairs and ranking minority members of the senate and
52.28 house of representatives committees having jurisdiction over employment and economic
52.29 development policy and finance on the amount of funds awarded and the outcomes
52.30 reported by grantees.

52.31 **Sec. 36. EXPLOITED FAMILIES RENTAL ASSISTANCE PROGRAM .**

52.32 Subdivision 1. **Rental assistance program.** (a) The commissioner of housing
52.33 finance shall establish a grant program within the housing trust fund to serve families
52.34 from emerging communities at risk of being homeless and who have been victims of
52.35 gender-based violence, including, but not limited to domestic violence, sexual assault,

53.1 trafficking, international abusive marriage, or forced marriage. For the purposes of this
53.2 section the term "gender-based violence" is defined as violence that is directed against a
53.3 woman because she is a woman or that affects women disproportionately; and the term
53.4 "emerging communities" is defined as refugee and immigrant communities who are less
53.5 established, who are unfamiliar with mainstream government services, or who have
53.6 limited English proficiency. The commissioner shall award grants to organizations that
53.7 can provide linguistically and culturally appropriate services and that have the capacity to
53.8 serve families who have experienced gender-based violence from emerging communities.

53.9 (b) The program must:

53.10 (1) provide rental assistance to individuals with a minor child at risk of being
53.11 homeless and who have been victims of domestic violence, sexual assault, trafficking,
53.12 international abusive marriage, or forced marriage;

53.13 (2) require the participants to pay at least 30 percent of the participant's income
53.14 toward the rent;

53.15 (3) allow the families to choose their own housing, including single-family homes,
53.16 townhomes, and apartments;

53.17 (4) give priority to large families who experience barriers in accessing housing,
53.18 including having limited English proficiency, lack of positive rental history, employment
53.19 history, and financial history; and

53.20 (5) require the program participants to be employed, or actively seeking employment,
53.21 or be engaged in activities that will assist them in gaining employment.

53.22 Subd. 2. **Program evaluation.** All grant recipients must collect and make available
53.23 to the commissioner, aggregate data to assist the agency in the evaluation of the program.
53.24 The commissioner shall evaluate the program effectiveness and measure the number of
53.25 families served from emerging communities, the support services provided for families in
53.26 seeking employment and achieving economic-stability, and the employment and housing
53.27 status of the participants.

53.28 Sec. 37. **"GETTING TO WORK" GRANT PROGRAM.**

53.29 Subdivision 1. **Creation.** The commissioner of employment and economic
53.30 development shall make grants to nonprofit organizations to establish and operate
53.31 programs under this section that provide, repair, or maintain motor vehicles to assist
53.32 eligible individuals to obtain or maintain employment.

53.33 Subd. 2. **Qualified grantee.** A grantee must:

53.34 (1) qualify under section 501(c)(3) of the Internal Revenue Code; and

54.1 (2) at the time of application offer, or have the demonstrated capacity to offer, a
54.2 motor vehicle program that provides the services required under subdivision 3.

54.3 Subd. 3. **Program requirements.** (a) A program must offer one or more of the
54.4 following services:

54.5 (1) provision of new or used motor vehicles by gift, sale, or lease;

54.6 (2) motor vehicle repair and maintenance services; or

54.7 (3) motor vehicle loans.

54.8 (b) In addition to the requirements of paragraph (a), a program must offer one or
54.9 more of the following services:

54.10 (1) financial literacy education;

54.11 (2) education on budgeting for vehicle ownership;

54.12 (3) car maintenance and repair instruction;

54.13 (4) credit counseling; or

54.14 (5) job training related to motor vehicle maintenance and repair.

54.15 (c) A program may also offer other transportation-related support services.

54.16 Subd. 4. **Application.** Applications for a grant must be by a form provided by the
54.17 commissioner and on a schedule set by the commissioner. Applications must, in addition
54.18 to any other information required by the commissioner, include the following:

54.19 (1) a detailed description of all services to be offered;

54.20 (2) the area to be served;

54.21 (3) the estimated number of program participants to be served by the grant; and

54.22 (4) a plan for leveraging resources from partners that may include, but are not

54.23 limited to:

54.24 (i) automobile dealers;

54.25 (ii) automobile parts dealers;

54.26 (iii) independent local mechanics and automobile repair facilities;

54.27 (iv) banks and credit unions;

54.28 (v) employers;

54.29 (vi) employment and training agencies;

54.30 (vii) insurance companies and agents;

54.31 (viii) local workforce centers; and

54.32 (ix) educational institutions including vocational institutions and jobs or skills

54.33 training programs.

54.34 Subd. 5. **Participant eligibility.** (a) To be eligible to receive program services,
54.35 a person must:

55.1 (1) have a household income at or below 200 percent of the federal poverty level;
55.2 (2) be at least 18 years of age;
55.3 (3) have a valid driver's license;
55.4 (4) provide the grantee with proof of motor vehicle insurance; and
55.5 (5) demonstrate to the grantee that a motor vehicle is required by the person to
55.6 obtain or maintain employment.

55.7 (b) This subdivision does not preclude a grantee from imposing additional
55.8 requirements, not inconsistent with paragraph (a), for the receipt of program services.

55.9 Subd. 6. **Allocation of grants.** The commissioner shall allocate grants to up to 15
55.10 grantees so that, to the extent feasible, program services are available in every county of
55.11 the state.

55.12 Subd. 7. **Report to legislature.** By February 15, 2018, the commissioner shall
55.13 submit a report to the chairs of the house of representatives and senate committees with
55.14 jurisdiction over workforce and economic development on program outcomes. At a
55.15 minimum, the report must include:

55.16 (1) the total number of program participants;
55.17 (2) the number of program participants who received each of the following:
55.18 (i) provision of a motor vehicle;
55.19 (ii) motor vehicle repair services; and
55.20 (iii) motor vehicle loan; and
55.21 (3) an analysis of the impact of the "Getting to Work" grant program on the
55.22 employment rate and wages of program participants.

55.23 Sec. 38. **REVISOR'S INSTRUCTION.**

55.24 In the next editions of Minnesota Statutes and Minnesota Rules, the Revisor of
55.25 Statutes shall change the term "Urban Initiative Board" to "Minnesota Initiative Board,"
55.26 "board," or similar terms as the context requires.

55.27 **ARTICLE 3**

55.28 **AGRICULTURE**

55.29 Section 1. **APPROPRIATIONS.**

55.30 The sums shown in the columns marked "Appropriations" are added to the
55.31 appropriations in Laws 2015, First Special Session chapter 4, or appropriated to the
55.32 agencies and for the purposes specified in this article. The appropriations are from the
55.33 general fund, or another named fund, and are available for the fiscal year indicated for

56.1 each purpose. The figures "2016" and "2017" used in this article mean that the addition
 56.2 to the appropriations listed under them are available for the fiscal year ending June 30,
 56.3 2016, or June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second
 56.4 year" is fiscal year 2017. Appropriations for fiscal year 2016 are effective the day
 56.5 following final enactment.

56.6		<u>APPROPRIATIONS</u>	
56.7		<u>Available for the Year</u>	
56.8		<u>Ending June 30</u>	
56.9		<u>2016</u>	<u>2017</u>

56.10	Sec. 2. <u>DEPARTMENT OF AGRICULTURE</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>3,500,000</u>
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56.11 \$350,000 the second year is for deposit
 56.12 in the noxious weed and invasive plant
 56.13 species assistance account established under
 56.14 Minnesota Statutes, section 18.89, to be
 56.15 used to implement the noxious weed grant
 56.16 program under Minnesota Statutes, section
 56.17 18.90. This is a onetime appropriation.

56.18 \$1,000,000 the second year is for the tractor
 56.19 rollover protection pilot program under
 56.20 Minnesota Statutes, section 17.119. This is a
 56.21 onetime appropriation.

56.22 \$300,000 the second year is for the pollinator
 56.23 investment grant program under Minnesota
 56.24 Statutes, section 17.1195. This is a onetime
 56.25 appropriation.

56.26 \$200,000 the second year is for a grant to the
 56.27 city of Duluth to design and construct the
 56.28 Deep Winter Greenhouse. This is a onetime
 56.29 appropriation.

56.30 \$500,000 the second year is to administer
 56.31 the industrial hemp pilot program under
 56.32 Minnesota Statutes, section 18K.09. This is
 56.33 a onetime appropriation.

57.1 \$150,000 the second year is for grants of up
57.2 to \$750 to farmers who demonstrate financial
57.3 hardship due to the three-year transition
57.4 period required under federal law for organic
57.5 certification. This is a onetime appropriation
57.6 and is in addition to funds appropriated to the
57.7 commissioner of agriculture and available for
57.8 organic certification cost-share grants under
57.9 Laws 2015, First Special Session chapter
57.10 4, article 1, section 2, subdivision 3. The
57.11 commissioner may award both a transition
57.12 grant and a certification cost-share grant to a
57.13 farmer in the same fiscal year.

57.14 \$1,000,000 the second year is for grants
57.15 to the Board of Regents of the University
57.16 of Minnesota to fund the Forever Green
57.17 Agriculture Initiative and to protect the
57.18 state's natural resources while increasing
57.19 the efficiency, profitability, and productivity
57.20 of Minnesota farmers by incorporating
57.21 perennial and winter annual crops into
57.22 existing agricultural practices. This is a
57.23 onetime appropriation and is available until
57.24 June 30, 2019. The appropriation in Laws
57.25 2015, First Special Session chapter 2, article
57.26 2, section 3, paragraph (i), is available until
57.27 June 30, 2018.

57.28 Sec. 3. Minnesota Statutes 2014, section 17.117, subdivision 4, is amended to read:

57.29 Subd. 4. **Definitions.** (a) For the purposes of this section, the terms defined in this
57.30 subdivision have the meanings given them.

57.31 (b) "Agricultural and environmental revolving accounts" means accounts in the
57.32 agricultural fund, controlled by the commissioner, which hold funds available to the
57.33 program.

57.34 (c) "Agriculture supply business" means a person, partnership, joint venture,
57.35 corporation, limited liability company, association, firm, public service company,

58.1 or cooperative that provides materials, equipment, or services to farmers or
58.2 agriculture-related enterprises.

58.3 (d) "Allocation" means the funds awarded to an applicant for implementation of best
58.4 management practices through a competitive or noncompetitive application process.

58.5 (e) "Applicant" means a local unit of government eligible to participate in this
58.6 program that requests an allocation of funds as provided in subdivision 6b.

58.7 (f) "Best management practices" has the meaning given in sections 103F.711,
58.8 subdivision 3, and 103H.151, subdivision 2, ~~or~~. Best management practices also means
58.9 other practices, techniques, and measures that have been demonstrated to the satisfaction
58.10 of the commissioner: (1) to prevent or reduce adverse environmental impacts by using
58.11 the most effective and practicable means of achieving environmental goals; or (2) to
58.12 achieve drinking water quality standards under chapter 103H or under Code of Federal
58.13 Regulations, title 40, parts 141 and 143, as amended.

58.14 (g) "Borrower" means a farmer, an agriculture supply business, or a rural landowner
58.15 applying for a low-interest loan.

58.16 (h) "Commissioner" means the commissioner of agriculture, including when the
58.17 commissioner is acting in the capacity of chair of the Rural Finance Authority, or the
58.18 designee of the commissioner.

58.19 (i) "Committed project" means an eligible project scheduled to be implemented at
58.20 a future date:

58.21 (1) that has been approved and certified by the local government unit; and

58.22 (2) for which a local lender has obligated itself to offer a loan.

58.23 (j) "Comprehensive water management plan" means a state approved and locally
58.24 adopted plan authorized under section 103B.231, 103B.255, 103B.311, 103C.331,
58.25 103D.401, or 103D.405.

58.26 (k) "Cost incurred" means expenses for implementation of a project accrued because
58.27 the borrower has agreed to purchase equipment or is obligated to pay for services or
58.28 materials already provided as a result of implementing an approved eligible project.

58.29 (l) "Farmer" means a person, partnership, joint venture, corporation, limited liability
58.30 company, association, firm, public service company, or cooperative that regularly
58.31 participates in physical labor or operations management of farming and files a Schedule F
58.32 as part of filing United States Internal Revenue Service Form 1040 or indicates farming as
58.33 the primary business activity under Schedule C, K, or S, or any other applicable report to
58.34 the United States Internal Revenue Service.

58.35 (m) "Lender agreement" means an agreement entered into between the commissioner
58.36 and a local lender which contains terms and conditions of participation in the program.

59.1 (n) "Local government unit" means a county, soil and water conservation district,
59.2 or an organization formed for the joint exercise of powers under section 471.59 with
59.3 the authority to participate in the program.

59.4 (o) "Local lender" means a local government unit as defined in paragraph (n), a state
59.5 or federally chartered bank, a savings association, a state or federal credit union, Agribank
59.6 and its affiliated organizations, or a nonprofit economic development organization or other
59.7 financial lending institution approved by the commissioner.

59.8 (p) "Local revolving loan account" means the account held by a local government unit
59.9 and a local lender into which principal repayments from borrowers are deposited and new
59.10 loans are issued in accordance with the requirements of the program and lender agreements.

59.11 (q) "Nonpoint source" has the meaning given in section 103F.711, subdivision 6.

59.12 (r) "Program" means the agriculture best management practices loan program
59.13 in this section.

59.14 (s) "Project" means one or more components or activities located within Minnesota
59.15 that are required by the local government unit to be implemented for satisfactory
59.16 completion of an eligible best management practice.

59.17 (t) "Rural landowner" means the owner of record of Minnesota real estate located
59.18 in an area determined by the local government unit to be rural after consideration of
59.19 local land use patterns, zoning regulations, jurisdictional boundaries, local community
59.20 definitions, historical uses, and other pertinent local factors.

59.21 (u) "Water-quality cooperative" has the meaning given in section 115.58, paragraph
59.22 (d), except as expressly limited in this section.

59.23 Sec. 4. Minnesota Statutes 2014, section 17.117, subdivision 11a, is amended to read:

59.24 Subd. 11a. **Eligible projects.** (a) All projects that remediate or mitigate adverse
59.25 environmental impacts are eligible if:

59.26 ~~(1) the project is eligible under the an allocation agreement and funding sources~~
59.27 ~~designated by the local government unit to finance the project; and~~

59.28 ~~(2) (b) A manure management projects remediate project is eligible if the project~~
59.29 ~~remediates or mitigate mitigates impacts from facilities with less than 1,000 animal units~~
59.30 ~~as defined in Minnesota Rules, chapter 7020, and otherwise meets the requirements of~~
59.31 ~~this section.~~

59.32 (c) A drinking water project is eligible if the project:

59.33 (1) remediates the adverse environmental impacts or presence of contaminants in
59.34 private well water;

59.35 (2) implements best management practices to achieve drinking water standards; and

60.1 (3) otherwise meets the requirements of this section.

60.2 **Sec. 5. [17.119] TRACTOR ROLLOVER PROTECTION PILOT GRANT**
60.3 **PROGRAM.**

60.4 Subdivision 1. **Grants; eligibility.** (a) The commissioner must award cost-share
60.5 grants to Minnesota farmers who retrofit eligible tractors and Minnesota schools that
60.6 retrofit eligible tractors with eligible rollover protective structures. Grants are limited to
60.7 70 percent of the farmer's or school's documented cost to purchase, ship, and install an
60.8 eligible rollover protective structure. The commissioner must increase the grant award
60.9 amount over the 70 percent grant limitation requirement if necessary to limit a farmer's or
60.10 school's cost per tractor to no more than \$500.

60.11 (b) A rollover protective structure is eligible if it meets or exceeds SAE International
60.12 standard J2194.

60.13 (c) A tractor is eligible if the tractor was built before 1987.

60.14 Subd. 2. **Promotion; administration.** The commissioner may spend up to 20
60.15 percent of total program dollars each fiscal year to promote and administer the program to
60.16 Minnesota farmers and schools.

60.17 Subd. 3. **Nonstate sources; appropriation.** The commissioner must accept
60.18 contributions from nonstate sources to supplement state appropriations for this program.
60.19 Contributions received under this subdivision are appropriated to the commissioner for
60.20 purposes of this section.

60.21 Subd. 4. **Expiration.** This section expires on June 30, 2019.

60.22 **Sec. 6. [17.1195] POLLINATOR INVESTMENT GRANT PROGRAM.**

60.23 Subdivision 1. **Establishment.** The commissioner may award a pollinator
60.24 investment grant to a person who implements best management practices to protect wild
60.25 and managed insect pollinators in this state equal to ten percent of the first \$100,000 of
60.26 qualifying expenditures, provided the person makes qualifying expenditures of at least
60.27 \$25,000. The commissioner may award multiple pollinator investment grants to a person
60.28 over the life of the program as long as the cumulative amount does not exceed \$30,000.

60.29 Subd. 2. **Definition.** For the purposes of this section, "qualified expenditures"
60.30 means the amount spent for:

60.31 (1) in conventional farming systems, planting neonicotinoid-free seeds,
60.32 implementing integrated pest management practices, and not using a pesticide class
60.33 labeled by the United States Environmental Protection Agency as toxic to bees; or

61.1 (2) creating new pollinator habitat, and not using a pesticide class labeled by the
61.2 United States Environmental Protection Agency as toxic to bees; by:

61.3 (i) seeding native flowering plants as prairie strips within productive cropland to
61.4 provide forage for pollinators;

61.5 (ii) renovating a pasture system by overseeding a pasture with high-diversity native
61.6 forb or native or non-native legume mixtures;

61.7 (iii) interseeding legumes, brassicas, buckwheat, or other pollinator forage plants
61.8 with corn or soybean, or planting these as cover crops before or after corn or soybean;

61.9 (iv) planting or seeding riparian and wetland areas and vegetative buffer strips with
61.10 native perennial cover that provides forage for pollinators;

61.11 (v) planting a native hedgerow; or

61.12 (vi) increasing plant diversity in nonproductive areas by adding native flowering
61.13 forbs, trees, or shrubs, or by introducing pollinator-friendly plant species into existing
61.14 strands of grasses.

61.15 Subd. 3. **Eligibility.** (a) To be eligible for a pollinator investment grant, a person
61.16 must:

61.17 (1) be a resident of Minnesota or an entity specifically defined in section 500.24,
61.18 subdivision 2, that is eligible to own farmland and operate a farm in this state under
61.19 section 500.24;

61.20 (2) be the principal operator of the farm; and

61.21 (3) apply to the commissioner on forms prescribed by the commissioner, including a
61.22 statement of the qualifying expenditures made during the qualifying period along with any
61.23 proof or other documentation the commissioner may require.

61.24 (b) The \$10,000 maximum grant applies at the entity level for partnerships, S
61.25 corporations, C corporations, trusts, and estates as well as at the individual level. In the
61.26 case of married individuals, the grant is limited to \$10,000 for a married couple.

61.27 Sec. 7. Minnesota Statutes 2014, section 41A.12, subdivision 2, is amended to read:

61.28 Subd. 2. **Activities authorized.** For the purposes of this program, the commissioner
61.29 may issue grants, loans, or other forms of financial assistance. Eligible activities include,
61.30 but are not limited to, grants to livestock producers under the livestock investment grant
61.31 program under section 17.118, bioenergy awards made by the NextGen Energy Board
61.32 under section 41A.105, cost-share grants for the installation of biofuel blender pumps, and
61.33 financial assistance to support other rural economic infrastructure activities.

62.1 Sec. 8. Minnesota Statutes 2015 Supplement, section 41A.14, subdivision 1, is
62.2 amended to read:

62.3 Subdivision 1. **Duties; grants.** The agriculture research, education, extension, and
62.4 technology transfer grant program is created. The purpose of the grant program is to
62.5 provide investments that will most efficiently achieve long-term agricultural productivity
62.6 increases through improved infrastructure, vision, and accountability. The scope and
62.7 intent of the grants, to the extent possible, shall provide for a long-term base funding
62.8 that allows the research grantee to continue the functions of the research, education, and
62.9 extension, and technology transfer efforts to a practical conclusion. Priority for grants
62.10 shall be given to human infrastructure. The commissioner shall provide grants for:

62.11 (1) agricultural research, extension, and technology transfer needs ~~and recipients~~
62.12 ~~including agricultural research and extension~~ at the University of Minnesota, research and
62.13 outreach centers, the College of Food, Agricultural and Natural Resource Sciences, the
62.14 Minnesota Agricultural Experiment Station, University of Minnesota Extension Service,
62.15 the University of Minnesota Veterinary School, the Veterinary Diagnostic Laboratory,
62.16 the Stakman-Borlaug Center, and the Minnesota Agriculture Fertilizer Research and
62.17 Education Council;

62.18 (2) agriculture rapid response for plant and animal diseases and pests; and

62.19 (3) agricultural education including but not limited to the Minnesota Agriculture
62.20 Education Leadership Council, farm business management, mentoring programs, graduate
62.21 debt forgiveness, and high school programs.

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

62.23 Sec. 9. Minnesota Statutes 2015 Supplement, section 41A.14, subdivision 2, is
62.24 amended to read:

62.25 Subd. 2. **Advisory panel.** (a) In awarding grants under this section, the
62.26 commissioner and a representative of the College of Food, Agricultural, and Natural
62.27 Resource Sciences at the University of Minnesota must consult with an advisory panel
62.28 consisting of the following stakeholders:

62.29 (1) ~~a representative of the College of Food, Agricultural and Natural Resource~~
62.30 ~~Sciences at the University of Minnesota;~~

62.31 (2) a representative of the Minnesota State Colleges and Universities system;

62.32 (3) ~~(2)~~ a representative of the Minnesota Farm Bureau;

62.33 (4) ~~(3)~~ a representative of the Minnesota Farmers Union;

62.34 (5) ~~(4)~~ a person representing agriculture industry statewide;

63.1 ~~(6)~~ (5) a representative of each of the state commodity councils organized under
63.2 section 17.54 and the Minnesota Pork Board;

63.3 ~~(7)~~ (6) a person representing an association of primary manufacturers of forest
63.4 products;

63.5 ~~(8)~~ (7) a person representing organic or sustainable agriculture; and

63.6 ~~(9)~~ (8) a person representing statewide environment and natural resource
63.7 conservation organizations.

63.8 (b) Members under paragraph (a), clauses (1) to (3) and (5), shall be chosen by their
63.9 respective organizations.

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

63.11 Sec. 10. Minnesota Statutes 2015 Supplement, section 41A.15, is amended by adding a
63.12 subdivision to read:

63.13 Subd. 2a. **Biobased content.** "Biobased content" means a chemical, polymer,
63.14 monomer, or plastic that is not sold primarily for use as food, feed, or fuel and that has a
63.15 biobased percentage of at least 51 percent as determined by testing representative samples
63.16 using American Society for Testing and Materials specification D6866.

63.17 Sec. 11. Minnesota Statutes 2015 Supplement, section 41A.15, is amended by adding a
63.18 subdivision to read:

63.19 Subd. 2b. **Biobased formulated product.** "Biobased formulated product" means
63.20 a product that is not sold primarily for use as food, feed, or fuel and that has a biobased
63.21 content percentage of at least ten percent as determined by testing representative samples
63.22 using American Society for Testing and Materials specification D6866, or that contains
63.23 a biobased chemical constituent that displaces a known hazardous or toxic constituent
63.24 previously used in the product formulation.

63.25 Sec. 12. Minnesota Statutes 2015 Supplement, section 41A.15, is amended by adding a
63.26 subdivision to read:

63.27 Subd. 2c. **Biobutanol.** "Biobutanol" means fermentation isobutyl alcohol that is
63.28 derived from agricultural products, including potatoes, cereal grains, cheese whey, and
63.29 sugar beets; forest products; or other renewable resources, including residue and waste
63.30 generated from the production, processing, and marketing of agricultural products, forest
63.31 products, and other renewable resources.

64.1 Sec. 13. Minnesota Statutes 2015 Supplement, section 41A.15, is amended by adding a
64.2 subdivision to read:

64.3 Subd. 2d. **Biobutanol facility.** "Biobutanol facility" means a facility at which
64.4 biobutanol is produced.

64.5 Sec. 14. Minnesota Statutes 2015 Supplement, section 41A.15, is amended by adding a
64.6 subdivision to read:

64.7 Subd. 9a. **Quarterly.** "Quarterly" means any of the following three-month intervals
64.8 in a calendar year: January through March, April through June, July through September,
64.9 or October through December.

64.10 Sec. 15. Minnesota Statutes 2015 Supplement, section 41A.15, subdivision 10, is
64.11 amended to read:

64.12 Subd. 10. **Renewable chemical.** "Renewable chemical" means a chemical with
64.13 biobased content as defined in section 41A.105, subdivision 1a.

64.14 Sec. 16. Minnesota Statutes 2015 Supplement, section 41A.16, subdivision 1, is
64.15 amended to read:

64.16 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must
64.17 source at least 80 percent raw materials from Minnesota. If a facility is sited 50 miles or
64.18 less from the state border, raw materials may be sourced from within a 100-mile radius.
64.19 Raw materials must be from agricultural or forestry sources or from solid waste. The
64.20 facility must be located in Minnesota, must begin production at a specific location by June
64.21 30, 2025, and must not begin operating above ~~95,000~~ 23,750 MMbtu of ~~annual~~ quarterly
64.22 biofuel production before July 1, 2015. Eligible facilities include existing companies and
64.23 facilities that are adding advanced biofuel production capacity, or retrofitting existing
64.24 capacity, as well as new companies and facilities. Production of conventional corn ethanol
64.25 and conventional biodiesel is not eligible. Eligible advanced biofuel facilities must
64.26 produce at least ~~95,000~~ 23,750 MMbtu ~~a year~~ of biofuel quarterly.

64.27 (b) No payments shall be made for advanced biofuel production that occurs after
64.28 June 30, 2035, for those eligible biofuel producers under paragraph (a).

64.29 (c) An eligible producer of advanced biofuel shall not transfer the producer's
64.30 eligibility for payments under this section to an advanced biofuel facility at a different
64.31 location.

64.32 (d) A producer that ceases production for any reason is ineligible to receive
64.33 payments under this section until the producer resumes production.

65.1 (e) Renewable chemical production for which payment has been received under
65.2 section 41A.17, and biomass thermal production for which payment has been received
65.3 under section 41A.18, are not eligible for payment under this section.

65.4 (f) Biobutanol is eligible under this section.

65.5 Sec. 17. Minnesota Statutes 2015 Supplement, section 41A.17, subdivision 1, is
65.6 amended to read:

65.7 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this program
65.8 must source at least 80 percent biobased content, ~~as defined in section 41A.105,~~
65.9 ~~subdivision 1a, clause (1),~~ from Minnesota. If a facility is sited 50 miles or less from the
65.10 state border, biobased content must be sourced from within a 100-mile radius. Biobased
65.11 content must be from agricultural or forestry sources or from solid waste. The facility must
65.12 be located in Minnesota, must begin production at a specific location by June 30, 2025, and
65.13 must not begin production of ~~3,000,000~~ 750,000 pounds of chemicals ~~annually~~ quarterly
65.14 before January 1, 2015. Eligible facilities include existing companies and facilities that are
65.15 adding production capacity, or retrofitting existing capacity, as well as new companies and
65.16 facilities. Eligible renewable chemical facilities must produce at least ~~3,000,000~~ 750,000
65.17 pounds ~~per year~~ of renewable chemicals quarterly. Renewable chemicals produced
65.18 through processes that are fully commercial before January 1, 2000, are not eligible.

65.19 (b) No payments shall be made for renewable chemical production that occurs after
65.20 June 30, 2035, for those eligible renewable chemical producers under paragraph (a).

65.21 (c) An eligible producer of renewable chemicals shall not transfer the producer's
65.22 eligibility for payments under this section to a renewable chemical facility at a different
65.23 location.

65.24 (d) A producer that ceases production for any reason is ineligible to receive
65.25 payments under this section until the producer resumes production.

65.26 (e) Advanced biofuel production for which payment has been received under section
65.27 41A.16, and biomass thermal production for which payment has been received under
65.28 section 41A.18, are not eligible for payment under this section.

65.29 Sec. 18. Minnesota Statutes 2015 Supplement, section 41A.17, subdivision 2, is
65.30 amended to read:

65.31 Subd. 2. **Payment amounts; bonus; limits.** (a) The commissioner shall make
65.32 payments to eligible producers of renewable chemicals located in the state. The amount of
65.33 the payment for each producer's annual production is \$0.03 per pound of sugar-derived
65.34 renewable chemical, \$0.03 per pound of cellulosic sugar, and \$0.06 per pound of

66.1 cellulose-derived renewable chemical produced at a specific location for ten years after
66.2 the start of production.

66.3 (b) An eligible facility producing renewable chemicals using agricultural cellulose
66.4 biomass is eligible for a 20 percent bonus payment for each ~~MMbtu~~ pound produced from
66.5 agricultural biomass that is derived from perennial crop or cover crop biomass.

66.6 (c) Total payments under this section to an eligible renewable chemical producer in
66.7 a fiscal year may not exceed the amount necessary for 99,999,999 pounds of renewable
66.8 chemical production. Total payments under this section to all eligible renewable chemical
66.9 producers in a fiscal year may not exceed the amount necessary for 599,999,999 pounds of
66.10 renewable chemical production. The commissioner shall award payments on a first-come,
66.11 first-served basis within the limits of available funding.

66.12 (d) For purposes of this section, an entity that holds a controlling interest in more
66.13 than one renewable chemical production facility is considered a single eligible producer.

66.14 Sec. 19. Minnesota Statutes 2015 Supplement, section 41A.18, subdivision 1, is
66.15 amended to read:

66.16 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must
66.17 source at least 80 percent raw materials from Minnesota. If a facility is sited 50 miles or
66.18 less from the state border, raw materials should be sourced from within a 100-mile radius.
66.19 Raw materials must be from agricultural or forestry sources. The facility must be located
66.20 in Minnesota, must have begun production at a specific location by June 30, 2025, and
66.21 must not begin before July 1, 2015. Eligible facilities include existing companies and
66.22 facilities that are adding production capacity, or retrofitting existing capacity, as well as
66.23 new companies and facilities. Eligible biomass thermal production facilities must produce
66.24 at least ~~1,000~~ 250 MMBtu ~~per year~~ of biomass thermal quarterly.

66.25 (b) No payments shall be made for biomass thermal production that occurs after June
66.26 30, 2035, for those eligible biomass thermal producers under paragraph (a).

66.27 (c) An eligible producer of biomass thermal production shall not transfer the
66.28 producer's eligibility for payments under this section to a biomass thermal production
66.29 facility at a different location.

66.30 (d) A producer that ceases production for any reason is ineligible to receive
66.31 payments under this section until the producer resumes production.

66.32 (e) Biofuel production for which payment has been received under section 41A.16,
66.33 and renewable chemical production for which payment has been received under section
66.34 41A.17, are not eligible for payment under this section.

67.1 Sec. 20. **[41A.20] SIDING PRODUCTION INCENTIVE.**

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

67.4 (b) "Commissioner" means the commissioner of agriculture.

67.5 (c) "Forest resources" means raw wood logs and material primarily made up of
67.6 cellulose, hemicellulose, or lignin, or a combination of those ingredients.

67.7 **Subd. 2. Eligibility.** (a) A facility eligible for payment under this section must
67.8 source at least 80 percent raw materials from Minnesota. If a facility is sited 50 miles
67.9 or less from the state border, raw materials may be sourced from within a 100-mile
67.10 radius. Raw materials must be from forest resources. The facility must be located in
67.11 Minnesota, must begin production at a specific location by June 30, 2025, and must not
67.12 begin operating before July 1, 2017. Eligible facilities include existing companies and
67.13 facilities that are adding siding production capacity, or retrofitting existing capacity, as
67.14 well as new companies and facilities. Eligible siding production facilities must produce at
67.15 least 200,000,000 siding square feet on a 3/8 inch nominal basis of siding each year.

67.16 (b) No payments shall be made for siding production that occurs after June 30, 2035,
67.17 for those eligible producers under paragraph (a).

67.18 (c) An eligible producer of siding shall not transfer the producer's eligibility for
67.19 payments under this section to a facility at a different location.

67.20 (d) A producer that ceases production for any reason is ineligible to receive
67.21 payments under this section until the producer resumes production.

67.22 **Subd. 3. Payment amounts; limits.** (a) The commissioner shall make payments
67.23 to eligible producers of siding. The amount of the payment for each eligible producer's
67.24 annual production is \$7.50 per 1,000 siding square feet on a 3/8 inch nominal basis of
67.25 siding produced at a specific location for ten years after the start of production.

67.26 (b) Total payments under this section to an eligible siding producer in a fiscal year
67.27 may not exceed the amount necessary for 400,000,000 siding square feet on a 3/8 inch
67.28 nominal basis of siding produced. Total payments under this section to all eligible siding
67.29 producers in a fiscal year may not exceed the amount necessary for 400,000,000 siding
67.30 square feet on a 3/8 inch nominal basis of siding produced. The commissioner shall award
67.31 payments on a first-come, first-served basis within the limits of available funding.

67.32 (c) For purposes of this section, an entity that holds a controlling interest in more
67.33 than one siding facility is considered a single eligible producer.

67.34 **Subd. 4. Forest resources requirements.** Forest resources that come from land
67.35 parcels greater than 160 acres must be certified by the Forest Stewardship Council,
67.36 Sustainable Forestry Initiative, or American Tree Farm System. Uncertified land from

68.1 parcels of 160 acres or less and federal land must be harvested by a logger who has
68.2 completed training from the Minnesota logger education program or the equivalent, and
68.3 have a forest stewardship plan.

68.4 Subd. 5. **Claims.** (a) By the last day of October, January, April, and July, each
68.5 eligible siding producer shall file a claim for payment for siding production during the
68.6 preceding three calendar months. An eligible siding producer that files a claim under this
68.7 subdivision shall include a statement of the eligible producer's total board feet of siding
68.8 produced during the quarter covered by the claim. For each claim and statement of total
68.9 board feet of siding filed under this subdivision, the board feet of siding produced must
68.10 be examined by a certified public accounting firm with a valid permit to practice under
68.11 chapter 326A, in accordance with Statements on Standards for Attestation Engagements
68.12 established by the American Institute of Certified Public Accountants.

68.13 (b) The commissioner must issue payments by November 15, February 15, May 15,
68.14 and August 15. A separate payment must be made for each claim filed.

68.15 Subd. 6. **Appropriation.** A sum sufficient to make the payments required by this
68.16 section, not to exceed \$3,000,000 in a fiscal year, is annually appropriated from the
68.17 general fund to the commissioner.

68.18 Sec. 21. Minnesota Statutes 2015 Supplement, section 116D.04, subdivision 2a,
68.19 is amended to read:

68.20 Subd. 2a. **When prepared.** Where there is potential for significant environmental
68.21 effects resulting from any major governmental action, the action shall be preceded by a
68.22 detailed environmental impact statement prepared by the responsible governmental unit.
68.23 The environmental impact statement shall be an analytical rather than an encyclopedic
68.24 document which describes the proposed action in detail, analyzes its significant
68.25 environmental impacts, discusses appropriate alternatives to the proposed action and
68.26 their impacts, and explores methods by which adverse environmental impacts of an
68.27 action could be mitigated. The environmental impact statement shall also analyze those
68.28 economic, employment, and sociological effects that cannot be avoided should the action
68.29 be implemented. To ensure its use in the decision-making process, the environmental
68.30 impact statement shall be prepared as early as practical in the formulation of an action.

68.31 (a) The board shall by rule establish categories of actions for which environmental
68.32 impact statements and for which environmental assessment worksheets shall be prepared
68.33 as well as categories of actions for which no environmental review is required under this
68.34 section. A mandatory environmental assessment worksheet shall not be required for the
68.35 expansion of an ethanol plant, as defined in section 41A.09, subdivision 2a, paragraph

69.1 (b), or the conversion of an ethanol plant to a biobutanol facility or the expansion of a
69.2 biobutanol facility as defined in section ~~41A.105~~ 41A.15, subdivision ~~1a~~ 2d, based on
69.3 the capacity of the expanded or converted facility to produce alcohol fuel, but must be
69.4 required if the ethanol plant or biobutanol facility meets or exceeds thresholds of other
69.5 categories of actions for which environmental assessment worksheets must be prepared.
69.6 The responsible governmental unit for an ethanol plant or biobutanol facility project for
69.7 which an environmental assessment worksheet is prepared shall be the state agency with
69.8 the greatest responsibility for supervising or approving the project as a whole.

69.9 A mandatory environmental impact statement shall not be required for a facility
69.10 or plant located outside the seven-county metropolitan area that produces less than
69.11 125,000,000 gallons of ethanol, biobutanol, or cellulosic biofuel annually, or produces less
69.12 than 400,000 tons of chemicals annually, if the facility or plant is: an ethanol plant, as
69.13 defined in section 41A.09, subdivision 2a, paragraph (b); a biobutanol facility, as defined
69.14 in section ~~41A.105~~ 41A.15, subdivision ~~1a~~, ~~clause (1)~~ 2d; or a cellulosic biofuel facility.
69.15 A facility or plant that only uses a cellulosic feedstock to produce chemical products for
69.16 use by another facility as a feedstock shall not be considered a fuel conversion facility as
69.17 used in rules adopted under this chapter.

69.18 (b) The responsible governmental unit shall promptly publish notice of the
69.19 completion of an environmental assessment worksheet by publishing the notice in at least
69.20 one newspaper of general circulation in the geographic area where the project is proposed,
69.21 by posting the notice on a Web site that has been designated as the official publication site
69.22 for publication of proceedings, public notices, and summaries of a political subdivision in
69.23 which the project is proposed, or in any other manner determined by the board and shall
69.24 provide copies of the environmental assessment worksheet to the board and its member
69.25 agencies. Comments on the need for an environmental impact statement may be submitted
69.26 to the responsible governmental unit during a 30-day period following publication of the
69.27 notice that an environmental assessment worksheet has been completed. The responsible
69.28 governmental unit's decision on the need for an environmental impact statement shall be
69.29 based on the environmental assessment worksheet and the comments received during the
69.30 comment period, and shall be made within 15 days after the close of the comment period.
69.31 The board's chair may extend the 15-day period by not more than 15 additional days upon
69.32 the request of the responsible governmental unit.

69.33 (c) An environmental assessment worksheet shall also be prepared for a proposed
69.34 action whenever material evidence accompanying a petition by not less than 100
69.35 individuals who reside or own property in the state, submitted before the proposed
69.36 project has received final approval by the appropriate governmental units, demonstrates

70.1 that, because of the nature or location of a proposed action, there may be potential for
70.2 significant environmental effects. Petitions requesting the preparation of an environmental
70.3 assessment worksheet shall be submitted to the board. The chair of the board shall
70.4 determine the appropriate responsible governmental unit and forward the petition to it.
70.5 A decision on the need for an environmental assessment worksheet shall be made by
70.6 the responsible governmental unit within 15 days after the petition is received by the
70.7 responsible governmental unit. The board's chair may extend the 15-day period by not
70.8 more than 15 additional days upon request of the responsible governmental unit.

70.9 (d) Except in an environmentally sensitive location where Minnesota Rules, part
70.10 4410.4300, subpart 29, item B, applies, the proposed action is exempt from environmental
70.11 review under this chapter and rules of the board, if:

70.12 (1) the proposed action is:

70.13 (i) an animal feedlot facility with a capacity of less than 1,000 animal units; or

70.14 (ii) an expansion of an existing animal feedlot facility with a total cumulative
70.15 capacity of less than 1,000 animal units;

70.16 (2) the application for the animal feedlot facility includes a written commitment by
70.17 the proposer to design, construct, and operate the facility in full compliance with Pollution
70.18 Control Agency feedlot rules; and

70.19 (3) the county board holds a public meeting for citizen input at least ten business
70.20 days prior to the Pollution Control Agency or county issuing a feedlot permit for the
70.21 animal feedlot facility unless another public meeting for citizen input has been held with
70.22 regard to the feedlot facility to be permitted. The exemption in this paragraph is in
70.23 addition to other exemptions provided under other law and rules of the board.

70.24 (e) The board may, prior to final approval of a proposed project, require preparation
70.25 of an environmental assessment worksheet by a responsible governmental unit selected
70.26 by the board for any action where environmental review under this section has not been
70.27 specifically provided for by rule or otherwise initiated.

70.28 (f) An early and open process shall be utilized to limit the scope of the environmental
70.29 impact statement to a discussion of those impacts, which, because of the nature or location
70.30 of the project, have the potential for significant environmental effects. The same process
70.31 shall be utilized to determine the form, content and level of detail of the statement as well
70.32 as the alternatives which are appropriate for consideration in the statement. In addition,
70.33 the permits which will be required for the proposed action shall be identified during the
70.34 scoping process. Further, the process shall identify those permits for which information
70.35 will be developed concurrently with the environmental impact statement. The board
70.36 shall provide in its rules for the expeditious completion of the scoping process. The

71.1 determinations reached in the process shall be incorporated into the order requiring the
71.2 preparation of an environmental impact statement.

71.3 (g) The responsible governmental unit shall, to the extent practicable, avoid
71.4 duplication and ensure coordination between state and federal environmental review
71.5 and between environmental review and environmental permitting. Whenever practical,
71.6 information needed by a governmental unit for making final decisions on permits
71.7 or other actions required for a proposed project shall be developed in conjunction
71.8 with the preparation of an environmental impact statement. When an environmental
71.9 impact statement is prepared for a project requiring multiple permits for which two or
71.10 more agencies' decision processes include either mandatory or discretionary hearings
71.11 before a hearing officer prior to the agencies' decision on the permit, the agencies
71.12 may, notwithstanding any law or rule to the contrary, conduct the hearings in a single
71.13 consolidated hearing process if requested by the proposer. All agencies having jurisdiction
71.14 over a permit that is included in the consolidated hearing shall participate. The responsible
71.15 governmental unit shall establish appropriate procedures for the consolidated hearing
71.16 process, including procedures to ensure that the consolidated hearing process is consistent
71.17 with the applicable requirements for each permit regarding the rights and duties of parties to
71.18 the hearing, and shall utilize the earliest applicable hearing procedure to initiate the hearing.

71.19 (h) An environmental impact statement shall be prepared and its adequacy
71.20 determined within 280 days after notice of its preparation unless the time is extended by
71.21 consent of the parties or by the governor for good cause. The responsible governmental
71.22 unit shall determine the adequacy of an environmental impact statement, unless within 60
71.23 days after notice is published that an environmental impact statement will be prepared,
71.24 the board chooses to determine the adequacy of an environmental impact statement. If an
71.25 environmental impact statement is found to be inadequate, the responsible governmental
71.26 unit shall have 60 days to prepare an adequate environmental impact statement.

71.27 (i) The proposer of a specific action may include in the information submitted to the
71.28 responsible governmental unit a preliminary draft environmental impact statement under
71.29 this section on that action for review, modification, and determination of completeness and
71.30 adequacy by the responsible governmental unit. A preliminary draft environmental impact
71.31 statement prepared by the project proposer and submitted to the responsible governmental
71.32 unit shall identify or include as an appendix all studies and other sources of information
71.33 used to substantiate the analysis contained in the preliminary draft environmental impact
71.34 statement. The responsible governmental unit shall require additional studies, if needed,
71.35 and obtain from the project proposer all additional studies and information necessary for

72.1 the responsible governmental unit to perform its responsibility to review, modify, and
 72.2 determine the completeness and adequacy of the environmental impact statement.

72.3 Sec. 22. Laws 2015, First Special Session chapter 4, article 1, section 2, subdivision 4,
 72.4 is amended to read:

72.5 Subd. 4. **Agriculture, Bioenergy, and**
 72.6 **Bioproduct Advancement**

14,993,000 19,010,000

72.7 \$4,483,000 the first year and \$8,500,000 the
 72.8 second year are for transfer to the agriculture
 72.9 research, education, extension, and
 72.10 technology transfer account under Minnesota
 72.11 Statutes, section 41A.14, subdivision 3. The
 72.12 transfer in this paragraph includes money
 72.13 for plant breeders at the University of
 72.14 Minnesota for cultivated wild rice, potatoes,
 72.15 and grapes. Of the amount appropriated in
 72.16 this paragraph, at least \$450,000 the second
 72.17 year is for transfer to the Board of Regents
 72.18 of the University of Minnesota for the
 72.19 cultivated wild rice breeding project at the
 72.20 North Central Research and Outreach Center
 72.21 to include a tenure track/research associate
 72.22 plant breeder. Of the amount appropriated
 72.23 in this paragraph, at least \$350,000 the
 72.24 second year is for transfer to the Board of
 72.25 Regents of the University of Minnesota
 72.26 for potato breeding. Of these amounts, at
 72.27 least \$600,000 each year is for agriculture
 72.28 rapid response the Minnesota Agricultural
 72.29 Experiment Station's agriculture rapid
 72.30 response fund under Minnesota Statutes,
 72.31 section 41A.14, subdivision 1, clause (2). Of
 72.32 the amount appropriated in this paragraph,
 72.33 \$1,000,000 each year is for transfer to
 72.34 the Board of Regents of the University of
 72.35 Minnesota for research to determine (1) what

73.1 is causing avian influenza, (2) why some
73.2 fowl are more susceptible, and (3) prevention
73.3 measures that can be taken. Of the amount
73.4 appropriated in this paragraph, \$2,000,000
73.5 each year is for grants to the Minnesota
73.6 Agriculture Education Leadership Council
73.7 to enhance agricultural education with
73.8 priority given to Farm Business Management
73.9 challenge grants. The commissioner shall
73.10 transfer the remaining grant funds in this
73.11 appropriation each year to the Board of
73.12 Regents of the University of Minnesota for
73.13 purposes of Minnesota Statutes, section
73.14 41A.14, subdivision 1, clause (1), and subject
73.15 to Minnesota Statutes, section 41A.14,
73.16 subdivision 2.

73.17 To the extent practicable, funds expended
73.18 under Minnesota Statutes, section 41A.14,
73.19 subdivision 1, clauses (1) and (2), must
73.20 supplement and not supplant existing sources
73.21 and levels of funding. The commissioner may
73.22 use up to 4.5 percent of this appropriation
73.23 for costs incurred to administer the program.

73.24 Any unencumbered balance does not cancel
73.25 at the end of the first year and is available for
73.26 the second year. Notwithstanding Minnesota
73.27 Statutes, section 16A.28, the appropriations
73.28 encumbered under contract on or before June
73.29 30, 2017, for agricultural growth, research,
73.30 and innovation grants are available until June
73.31 30, 2019.

73.32 \$10,235,000 the first year and \$10,235,000
73.33 the second year are for the agricultural
73.34 growth, research, and innovation program
73.35 in Minnesota Statutes, section 41A.12. No
73.36 later than February 1, 2016, and February

74.1 1, 2017, the commissioner must report to
74.2 the legislative committees with jurisdiction
74.3 over agriculture policy and finance regarding
74.4 the commissioner's accomplishments
74.5 and anticipated accomplishments in
74.6 the following areas: facilitating the
74.7 start-up, modernization, or expansion of
74.8 livestock operations including beginning
74.9 and transitioning livestock operations;
74.10 developing new markets for Minnesota
74.11 farmers by providing more fruits, vegetables,
74.12 meat, grain, and dairy for Minnesota school
74.13 children; assisting value-added agricultural
74.14 businesses to begin or expand, access new
74.15 markets, or diversify products; developing
74.16 urban agriculture; facilitating the start-up,
74.17 modernization, or expansion of other
74.18 beginning and transitioning farms including
74.19 loans under Minnesota Statutes, section
74.20 41B.056; sustainable agriculture on farm
74.21 research and demonstration; development or
74.22 expansion of food hubs and other alternative
74.23 community-based food distribution systems;
74.24 and research on bioenergy, biobased content,
74.25 or biobased formulated products and other
74.26 renewable energy development. The
74.27 commissioner may use up to 4.5 percent
74.28 of this appropriation for costs incurred to
74.29 administer the program. Any unencumbered
74.30 balance does not cancel at the end of the first
74.31 year and is available for the second year.
74.32 Notwithstanding Minnesota Statutes, section
74.33 16A.28, the appropriations encumbered
74.34 under contract on or before June 30, 2017, for
74.35 agricultural growth, research, and innovation
74.36 grants are available until June 30, 2019.

75.1 The commissioner may use funds
75.2 appropriated for the agricultural growth,
75.3 research, and innovation program as provided
75.4 in this paragraph. The commissioner may
75.5 award grants to owners of Minnesota
75.6 facilities producing bioenergy, biobased
75.7 content, or a biobased formulated product;
75.8 to organizations that provide for on-station,
75.9 on-farm field scale research and outreach to
75.10 develop and test the agronomic and economic
75.11 requirements of diverse strands of prairie
75.12 plants and other perennials for bioenergy
75.13 systems; or to certain nongovernmental
75.14 entities. For the purposes of this paragraph,
75.15 "bioenergy" includes transportation fuels
75.16 derived from cellulosic material, as well as
75.17 the generation of energy for commercial heat,
75.18 industrial process heat, or electrical power
75.19 from cellulosic materials via gasification or
75.20 other processes. Grants are limited to 50
75.21 percent of the cost of research, technical
75.22 assistance, or equipment related to bioenergy,
75.23 biobased content, or biobased formulated
75.24 product production or \$500,000, whichever
75.25 is less. Grants to nongovernmental entities
75.26 for the development of business plans and
75.27 structures related to community ownership
75.28 of eligible bioenergy facilities together may
75.29 not exceed \$150,000. The commissioner
75.30 shall make a good-faith effort to select
75.31 projects that have merit and, when taken
75.32 together, represent a variety of bioenergy
75.33 technologies, biomass feedstocks, and
75.34 geographic regions of the state. Projects
75.35 must have a qualified engineer provide
75.36 certification on the technology and fuel

76.1 source. Grantees must provide reports at the
76.2 request of the commissioner.

76.3 Of the amount appropriated for the
76.4 agricultural growth, research, and innovation
76.5 program in this subdivision, \$1,000,000 the
76.6 first year and \$1,000,000 the second year
76.7 are for distribution in equal amounts to each
76.8 of the state's county fairs to preserve and
76.9 promote Minnesota agriculture.

76.10 Of the amount appropriated for the
76.11 agricultural growth, research, and innovation
76.12 program in this subdivision, \$500,000 in
76.13 fiscal year 2016 and \$1,500,000 in fiscal
76.14 year 2017 are for incentive payments
76.15 under Minnesota Statutes, sections 41A.16,
76.16 41A.17, and 41A.18. If the appropriation
76.17 exceeds the total amount for which all
76.18 producers are eligible in a fiscal year, the
76.19 balance of the appropriation is available
76.20 to the commissioner for the agricultural
76.21 growth, research, and innovation program.

76.22 Notwithstanding Minnesota Statutes,
76.23 section 16A.28, the first year appropriation
76.24 is available until June 30, 2017, and the
76.25 second year appropriation is available until
76.26 June 30, 2018. The commissioner may use
76.27 up to 4.5 percent of the appropriation for
76.28 administration of the incentive payment
76.29 programs.

76.30 Of the amount appropriated for the
76.31 agricultural growth, research, and innovation
76.32 program in this subdivision, \$250,000
76.33 the first year is for grants to communities
76.34 to develop or expand food hubs and
76.35 other alternative community-based food

77.1 distribution systems. Of this amount,
77.2 \$50,000 is for the commissioner to consult
77.3 with existing food hubs, alternative
77.4 community-based food distribution systems,
77.5 and University of Minnesota Extension
77.6 to identify best practices for use by other
77.7 Minnesota communities. No later than
77.8 December 15, 2015, the commissioner must
77.9 report to the legislative committees with
77.10 jurisdiction over agriculture and health
77.11 regarding the status of emerging alternative
77.12 community-based food distribution systems
77.13 in the state along with recommendations
77.14 to eliminate any barriers to success. Any
77.15 unencumbered balance does not cancel at the
77.16 end of the first year and is available for the
77.17 second year. This is a onetime appropriation.
77.18 \$250,000 the first year and \$250,000 the
77.19 second year are for grants that enable
77.20 retail petroleum dispensers to dispense
77.21 biofuels to the public in accordance with the
77.22 biofuel replacement goals established under
77.23 Minnesota Statutes, section 239.7911. A
77.24 retail petroleum dispenser selling petroleum
77.25 for use in spark ignition engines for vehicle
77.26 model years after 2000 is eligible for grant
77.27 money under this paragraph if the retail
77.28 petroleum dispenser has no more than 15
77.29 retail petroleum dispensing sites and each
77.30 site is located in Minnesota. The grant
77.31 money received under this paragraph must
77.32 be used for the installation of appropriate
77.33 technology that uses fuel dispensing
77.34 equipment appropriate for at least one fuel
77.35 dispensing site to dispense gasoline that is
77.36 blended with 15 percent of agriculturally

78.1 derived, denatured ethanol, by volume, and
78.2 appropriate technical assistance related to
78.3 the installation. A grant award must not
78.4 exceed 85 percent of the cost of the technical
78.5 assistance and appropriate technology,
78.6 including remetering of and retrofits for
78.7 retail petroleum dispensers and replacement
78.8 of petroleum dispenser projects. The
78.9 commissioner may use up to \$35,000 of this
78.10 appropriation for administrative expenses.
78.11 The commissioner shall cooperate with
78.12 biofuel stakeholders in the implementation
78.13 of the grant program. The commissioner
78.14 must report to the legislative committees
78.15 with jurisdiction over agriculture policy and
78.16 finance by February 1 each year, detailing
78.17 the number of grants awarded under this
78.18 paragraph and the projected effect of the grant
78.19 program on meeting the biofuel replacement
78.20 goals under Minnesota Statutes, section
78.21 239.7911. These are onetime appropriations.
78.22 \$25,000 the first year and \$25,000 the second
78.23 year are for grants to the Southern Minnesota
78.24 Initiative Foundation to promote local foods
78.25 through an annual event that raises public
78.26 awareness of local foods and connects local
78.27 food producers and processors with potential
78.28 buyers.

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

78.30 Sec. 23. Laws 2015, First Special Session chapter 4, article 1, section 5, is amended to
78.31 read:

78.32 Sec. 5. **AVIAN INFLUENZA RESPONSE ACTIVITIES; APPROPRIATIONS**
78.33 **AND TRANSFERS.**

79.1 (a) ~~\$3,619,000~~ \$619,000 is appropriated from the general fund in fiscal year 2016 to
79.2 the commissioner of agriculture for avian influenza emergency response activities. The
79.3 commissioner may use money appropriated under this paragraph to purchase necessary
79.4 euthanasia and composting equipment and to reimburse costs incurred by local units of
79.5 government directly related to avian influenza emergency response activities that are not
79.6 eligible for federal reimbursement. This appropriation is available the day following final
79.7 enactment until June 30, 2017.

79.8 (b) \$1,853,000 is appropriated from the general fund in fiscal year 2016 to the
79.9 Board of Animal Health for avian influenza emergency response activities. The Board
79.10 may use money appropriated under this paragraph to purchase necessary euthanasia and
79.11 composting equipment and to retain trained staff. This appropriation is available the day
79.12 following final enactment until June 30, 2017.

79.13 (c) \$103,000 is appropriated from the general fund in fiscal year 2016 to the
79.14 commissioner of health for avian influenza emergency response activities. This
79.15 appropriation is available the day following final enactment until June 30, 2017.

79.16 (d) \$350,000 is appropriated from the general fund in fiscal year 2016 to the
79.17 commissioner of natural resources for sampling wild animals to detect and monitor the
79.18 avian influenza virus. This appropriation may also be used to conduct serology sampling,
79.19 in consultation with the Board of Animal Health and the University of Minnesota Pomeroy
79.20 Chair in Avian Health, from birds within a control zone and outside of a control zone.
79.21 This appropriation is available the day following final enactment until June 30, 2017.

79.22 (e) \$544,000 is appropriated from the general fund in fiscal year 2016 to the
79.23 commissioner of public safety to operate the State Emergency Operation Center in
79.24 coordination with the statewide avian influenza response activities. Appropriations
79.25 under this paragraph may also be used to support a staff person at the state's agricultural
79.26 incident command post in Willmar. This appropriation is available the day following final
79.27 enactment until June 30, 2017.

79.28 (f) The commissioner of management and budget may transfer unexpended balances
79.29 from the appropriations in this section to any state agency for operating expenses related
79.30 to avian influenza emergency response activities. The commissioner of management and
79.31 budget must report each transfer to the chairs and ranking minority members of the senate
79.32 Committee on Finance and the house of representatives Committee on Ways and Means.

79.33 (g) In addition to the transfers required under Laws 2015, chapter 65, article 1,
79.34 section 17, no later than September 30, 2015, the commissioner of management and
79.35 budget must transfer \$4,400,000 from the fiscal year 2015 closing balance in the general
79.36 fund to the disaster assistance contingency account in Minnesota Statutes, section 12.221,

80.1 subdivision 6. This amount is available for avian influenza emergency response activities
80.2 as provided in Laws 2015, chapter 65, article 1, section 18.

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

80.4 **ARTICLE 4**

80.5 **NATURAL RESOURCES**

80.6 Section 1. **APPROPRIATIONS.**

80.7 The sums shown in the columns marked "Appropriations" are added to the
80.8 appropriations in Laws 2015, First Special Session chapter 4, or appropriated to the
80.9 agencies and for the purposes specified in this article. The appropriations are from the
80.10 general fund, or another named fund, and are available for the fiscal year indicated for
80.11 each purpose. The figures "2016" and "2017" used in this article mean that the addition
80.12 to the appropriations listed under them are available for the fiscal year ending June 30,
80.13 2016, or June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second
80.14 year" is fiscal year 2017. Appropriations for fiscal year 2016 are effective the day
80.15 following final enactment.

80.16	<u>APPROPRIATIONS</u>	
80.17	<u>Available for the Year</u>	
80.18	<u>Ending June 30</u>	
80.19	<u>2016</u>	<u>2017</u>

80.20 Sec. 2. **NATURAL RESOURCES**

80.21	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>2,269,000</u>	<u>\$</u>	<u>14,816,000</u>
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80.22 Appropriations by Fund

80.23		<u>2016</u>	<u>2017</u>
80.24	<u>General</u>	<u>1,599,000</u>	<u>12,386,000</u>
80.25	<u>Natural Resources</u>	<u>-0-</u>	<u>2,320,000</u>
80.26	<u>Game and Fish</u>	<u>670,000</u>	<u>110,000</u>

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

80.30	<u>Subd. 2. Lands and Minerals Management</u>	<u>-0-</u>	<u>600,000</u>
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80.31 \$400,000 the second year is for transfer to
80.32 the school trust lands director to initiate the
80.33 private sale of surplus school trust lands

81.1 identified according to Minnesota Statutes,
 81.2 section 92.82, paragraph (d), including, but
 81.3 not limited to, valuation expenses, legal
 81.4 fees, and transactional staff costs. This
 81.5 appropriation must not be used to extinguish
 81.6 school trust interests in school trust lands.
 81.7 This is a onetime appropriation.
 81.8 \$200,000 the second year is to initiate,
 81.9 in consultation with the school trust
 81.10 lands director, a valuation process
 81.11 and representative valuations for the
 81.12 compensation of school trust lands required
 81.13 by Minnesota Statutes, section 84.027,
 81.14 subdivision 18, paragraph (b). By January 15,
 81.15 2017, the commissioner must submit a report
 81.16 to the chairs and ranking minority members
 81.17 of the house of representatives and senate
 81.18 committees and divisions with jurisdiction
 81.19 over environment and natural resources
 81.20 and education policy and finance on the
 81.21 Department of Natural Resources' progress in
 81.22 developing a valuation process, a description
 81.23 of the process to identify representative
 81.24 sample valuations, and the results of the
 81.25 representative valuations of school trust
 81.26 lands identified for compensation. This is a
 81.27 onetime appropriation.

81.28 **Subd. 3. Ecological and Water Resources** -0- 1,637,000

81.29 \$187,000 the second year is for a grant to the
 81.30 Middle-Snake-Tamarac Rivers Watershed
 81.31 District to match equal funds from the North
 81.32 Dakota State Water Commission and North
 81.33 Dakota water boards to conduct hydraulic
 81.34 modeling of alternative floodway options
 81.35 for the reach including and upstream and

82.1 downstream of the Minnesota and North
 82.2 Dakota agricultural levies in the vicinity
 82.3 of Oslo, Minnesota. The modeling must
 82.4 include evaluating removal of floodway
 82.5 flow obstructions, channel obstructions,
 82.6 transportation access, and equalization of
 82.7 agricultural levy protection. The project must
 82.8 be conducted in partnership with the border
 82.9 township association group representing four
 82.10 Minnesota townships and the city of Oslo
 82.11 and the three adjacent townships in North
 82.12 Dakota. This is a onetime appropriation and
 82.13 is available until June 30, 2018.

82.14 \$1,000,000 the second year is for an impact
 82.15 study of irrigation on the Pineland Sands
 82.16 aquifer. This is a onetime appropriation and
 82.17 is available until June 30, 2019.

82.18 \$250,000 the second year is for maintenance
 82.19 of the Little Stone Lake Dam. St. Louis
 82.20 County shall transfer to the state of Minnesota
 82.21 maintenance and control of the Little Stone
 82.22 Lake Dam that is described as: DAM ID
 82.23 MN00373. This is a onetime appropriation.

82.24 \$200,000 the second year is for a grant to
 82.25 the Koronis Lake Association for purposes
 82.26 of removing and preventing aquatic invasive
 82.27 species. This is a onetime appropriation.

82.28 Subd. 4. **Forest Management** -0- 3,100,000

82.29 \$600,000 the second year is for a pilot
 82.30 program to increase forest road maintenance.
 82.31 The commissioner shall use the money to
 82.32 perform needed maintenance on forest roads
 82.33 in conjunction with timber sales. Optional
 82.34 forest road maintenance contracts may be
 82.35 offered to successful purchasers of state

83.1 timber sales at the commissioner's discretion.

83.2 This is a onetime appropriation.

83.3 \$2,500,000 the second year is for private

83.4 forest management assistance. The agency

83.5 base is increased by \$2,028,000 in fiscal year

83.6 2018 and thereafter.

83.7 Subd. 5. **Parks and Trails Management**

-0-

5,499,000

83.8 Appropriations by Fund

83.9	<u>2016</u>	<u>2017</u>
83.10 <u>General</u>	<u>-0-</u>	<u>3,179,000</u>
83.11 <u>Natural Resources</u>	<u>-0-</u>	<u>2,320,000</u>

83.12 \$2,800,000 the second year is a onetime

83.13 appropriation.

83.14 \$2,300,000 the second year is from the state

83.15 parks account in the natural resources fund.

83.16 Of this amount, \$1,300,000 is onetime. In

83.17 fiscal year 2017, the level of service and

83.18 hours at all state parks and recreation areas

83.19 must be maintained at fiscal year 2015 levels.

83.20 \$20,000 the second year is from the natural

83.21 resources fund to design and erect signs

83.22 marking the David K. Dill trail designated in

83.23 this act. Of this amount, \$10,000 is from the

83.24 snowmobile trails and enforcement account

83.25 and \$10,000 is from the all-terrain vehicle

83.26 account. This is a onetime appropriation.

83.27 \$100,000 the second year is for the

83.28 improvement of the infrastructure for

83.29 sanitary sewer service at the Woodenfrog

83.30 Campground in Kabetogama State Forest.

83.31 This is a onetime appropriation.

83.32 \$250,000 the second year is for a grant to

83.33 Douglas County to acquire land, including a

83.34 ski area, for use as a regional park. The grant

83.35 must be matched by other state or nonstate

84.1 sources. This is a onetime appropriation and
 84.2 is available until June 30, 2019.

84.3 \$29,000 the second year is for computer
 84.4 programming related to the transfer-on-death
 84.5 title changes for watercraft. This is a onetime
 84.6 appropriation.

84.7 Subd. 6. **Fish and Wildlife Management** -0- 50,000

84.8 \$50,000 the second year is from the game
 84.9 and fish fund for fish virus surveillance,
 84.10 including fish testing in high-risk waters used
 84.11 for bait production, to ensure the availability
 84.12 of safe bait. This is a onetime appropriation.

84.13 Subd. 7. **Enforcement** 670,000 -0-

84.14 \$670,000 the first year is from the game and
 84.15 fish fund for aviation services. This is a
 84.16 onetime appropriation.

84.17 Subd. 8. **Operations Support** 1,599,000 3,930,000

84.18	<u>Appropriations by Fund</u>	
84.19	<u>2016</u>	<u>2017</u>
84.20	<u>1,599,000</u>	<u>3,870,000</u>
84.21	<u>-0-</u>	<u>60,000</u>

84.22 \$1,599,000 the first year and \$2,370,000 the
 84.23 second year are for legal costs related to the
 84.24 NorthMet mining project. This is a onetime
 84.25 appropriation and is available until June 30,
 84.26 2019.

84.27 \$1,500,000 the second year is for a grant to
 84.28 Wolf Ridge Environmental Learning Center
 84.29 to construct a new dormitory, renovate an old
 84.30 dormitory, construct a maintenance building,
 84.31 and construct a small classroom building
 84.32 with parking. The grant is not available
 84.33 until the commissioner of management
 84.34 and budget determines that an amount

85.1 sufficient to complete the project is available
 85.2 from nonstate sources. This is a onetime
 85.3 appropriation and is available until June 30,
 85.4 2019.
 85.5 \$60,000 the second year is from the
 85.6 heritage enhancement account for the
 85.7 department's Southeast Asian unit to
 85.8 conduct outreach efforts to the Southeast
 85.9 Asian community in Minnesota, including
 85.10 outreach efforts to refugees from Burma, to
 85.11 encourage participation in outdoor education
 85.12 opportunities and activities. This is a onetime
 85.13 appropriation.

85.14 Sec. 3. Minnesota Statutes 2014, section 84.091, subdivision 2, is amended to read:

85.15 Subd. 2. **License required; ~~exception~~ exemptions.** (a) Except as provided in
 85.16 ~~paragraph (b)~~ this subdivision, a person may not harvest, buy, sell, transport, or possess
 85.17 aquatic plants without a license required under this chapter. A license shall be issued in
 85.18 the same manner as provided under the game and fish laws.

85.19 (b) A resident under the age of 18 years may harvest wild rice without a license, if
 85.20 accompanied by a person with a wild rice license.

85.21 (c) Tribal band members who possess a valid tribal identification card may harvest
 85.22 wild rice without a license under this section.

85.23 Sec. 4. Minnesota Statutes 2014, section 84.798, subdivision 2, is amended to read:

85.24 Subd. 2. **Exemptions.** Registration is not required for an off-road vehicle that is:

85.25 (1) owned and used by the United States, an Indian tribal government, the state,
 85.26 another state, or a political subdivision; ~~or~~

85.27 (2) registered in another state or country and has not been in this state for more than
 85.28 30 consecutive days; or

85.29 (3) operated with a valid state trail pass according to section 84.8035.

85.30 **EFFECTIVE DATE.** This section is effective January 1, 2017.

85.31 Sec. 5. Minnesota Statutes 2014, section 84.8035, is amended to read:

85.32 **84.8035 NONRESIDENT OFF-ROAD VEHICLE STATE TRAIL PASS.**

86.1 Subdivision 1. **Pass required; fee.** (a) Except as provided under paragraph (c), a
86.2 nonresident person may not operate an off-road vehicle on a state or grant-in-aid off-road
86.3 vehicle trail or use area unless the vehicle displays a nonresident an off-road vehicle state
86.4 trail pass sticker issued according to this section. The pass must be viewable by a peace
86.5 officer, a conservation officer, or an employee designated under section 84.0835.

86.6 (b) ~~The fee for an annual pass is \$20. The pass is valid from January 1 through~~
86.7 ~~December 31. The fee for a three-year pass is \$30.~~ The commissioner of natural resources
86.8 shall issue a pass upon application and payment of the fee. Fees collected under this
86.9 section, except for the issuing fee for licensing agents, shall be deposited in the state
86.10 treasury and credited to the off-road vehicle account in the natural resources fund and,
86.11 except for the electronic licensing system commission established by the commissioner
86.12 under section 84.027, subdivision 15, must be used for grants-in-aid to counties and
86.13 municipalities for off-road vehicle organizations to construct and maintain off-road
86.14 vehicle trails and use areas.

86.15 (c) ~~A nonresident~~ An off-road vehicle state trail pass is not required for:

86.16 (1) an off-road vehicle that is owned and used by the United States, another state,
86.17 or a political subdivision thereof that is exempt from registration under section 84.798,
86.18 subdivision 2;

86.19 (2) a person operating an off-road vehicle only on the portion of a trail that is owned
86.20 by the person or the person's spouse, child, or parent; or

86.21 (3) a nonresident person operating an off-road vehicle that is registered according
86.22 to section 84.798.

86.23 (d) The fee for an annual nonresident off-road vehicle state trail pass is \$20. The
86.24 nonresident pass is valid from January 1 through December 31. The fee for a nonresident
86.25 three-year pass is \$30.

86.26 (e) The fee for a resident off-road vehicle state trail pass is \$20. The resident pass is
86.27 valid for 30 consecutive days after the date of issuance.

86.28 Subd. 2. **License agents.** The commissioner may appoint agents to issue and
86.29 sell ~~nonresident~~ off-road vehicle state trail passes. The commissioner may revoke the
86.30 appointment of an agent at any time. The commissioner may adopt additional rules as
86.31 provided in section 97A.485, subdivision 11. An agent shall observe all rules adopted
86.32 by the commissioner for accounting and handling of passes pursuant to section 97A.485,
86.33 subdivision 11. An agent shall promptly deposit and remit all money received from the
86.34 sale of the passes, exclusive of the issuing fee, to the commissioner.

86.35 Subd. 3. **Issuance of passes.** The commissioner and agents shall issue and sell
86.36 ~~nonresident~~ off-road vehicle state trail passes. The commissioner shall also make the

87.1 passes available through the electronic licensing system established under section 84.027,
87.2 subdivision 15.

87.3 Subd. 4. **Agent's fee.** In addition to the fee for a pass, an issuing fee of \$1 per pass
87.4 shall be charged. The issuing fee may be retained by the seller of the pass. Issuing fees for
87.5 passes issued by the commissioner shall be deposited in the off-road vehicle account in the
87.6 natural resources fund and retained for the operation of the electronic licensing system.

87.7 Subd. 5. **Duplicate passes.** The commissioner and agents shall issue a duplicate
87.8 pass to persons whose pass is lost or destroyed using the process established under section
87.9 97A.405, subdivision 3, and rules adopted thereunder. The fee for a duplicate ~~nonresident~~
87.10 off-road vehicle state trail pass is \$4, with an issuing fee of 50 cents.

87.11 **EFFECTIVE DATE.** This section is effective January 1, 2017.

87.12 Sec. 6. Minnesota Statutes 2014, section 85.015, subdivision 13, is amended to read:

87.13 Subd. 13. **Arrowhead Region Trails, Cook, Lake, St. Louis, Pine, Carlton,**
87.14 **Koochiching, and Itasca Counties.** (a)(1) The Taconite Trail shall originate at Ely in St.
87.15 Louis County and extend southwesterly to Tower in St. Louis County, thence westerly to
87.16 McCarthy Beach State Park in St. Louis County, thence southwesterly to Grand Rapids in
87.17 Itasca County and there terminate;

87.18 (2) the C. J. Ramstad/Northshore Trail shall originate in Duluth in St. Louis County
87.19 and extend northeasterly to Two Harbors in Lake County, thence northeasterly to Grand
87.20 Marais in Cook County, thence northeasterly to the international boundary in the vicinity
87.21 of the north shore of Lake Superior, and there terminate;

87.22 (3) ~~The Grand Marais to International Falls Trail shall originate in Grand Marais~~
87.23 ~~in Cook County and extend northwesterly, outside of the Boundary Waters Canoe Area,~~
87.24 ~~to Ely in St. Louis County, thence southwesterly along the route of the Taconite Trail to~~
87.25 ~~Tower in St. Louis County, thence northwesterly through the Pelican Lake area in St.~~
87.26 ~~Louis County to International Falls in Koochiching County, and there terminate~~ the David
87.27 K. Dill/Arrowhead Trail shall originate at International Falls in Koochiching County and
87.28 extend southeasterly through the Pelican Lake area in St. Louis County, intersecting with
87.29 the Taconite Trail west of Tower; then the David K. Dill/Taconite Trail continues easterly
87.30 to Ely in St. Louis County; then the David K. Dill/Tomahawk Trail extends southeasterly,
87.31 outside the Boundary Waters Canoe Area, to the area of Little Marais in Lake County and
87.32 there terminates at the intersection with the C. J. Ramstad/Northshore Trail; and

87.33 (4) the Matthew Lourey Trail shall originate in Duluth in St. Louis County and
87.34 extend southerly to Chengwatana State Forest in Pine County.

87.35 (b) The trails shall be developed primarily for riding and hiking.

88.1 (c) In addition to the authority granted in subdivision 1, lands and interests in lands
88.2 for the Arrowhead Region trails may be acquired by eminent domain. Before acquiring
88.3 any land or interest in land by eminent domain the commissioner of administration shall
88.4 obtain the approval of the governor. The governor shall consult with the Legislative
88.5 Advisory Commission before granting approval. Recommendations of the Legislative
88.6 Advisory Commission shall be advisory only. Failure or refusal of the commission to
88.7 make a recommendation shall be deemed a negative recommendation.

88.8 **Sec. 7. [86B.841] TRANSFER-ON-DEATH TITLE TO WATERCRAFT.**

88.9 **Subdivision 1. Titled as transfer-on-death.** A natural person who is the owner of a
88.10 watercraft may have the watercraft titled in transfer-on-death or TOD form by including in
88.11 the application for the certificate of title a designation of a beneficiary or beneficiaries to
88.12 whom the watercraft must be transferred on death of the owner or the last survivor of joint
88.13 owners with rights of survivorship, subject to the rights of secured parties.

88.14 **Subd. 2. Designation of beneficiary.** A watercraft is registered in transfer-on-death
88.15 form by designating on the certificate of title the name of the owner and the names
88.16 of joint owners with identification of rights of survivorship, followed by the words
88.17 "transfer-on-death to (name of beneficiary or beneficiaries)." The designation "TOD" may
88.18 be used instead of "transfer-on-death." A title in transfer-on-death form is not required
88.19 to be supported by consideration, and the certificate of title in which the designation
88.20 is made is not required to be delivered to the beneficiary or beneficiaries in order for
88.21 the designation to be effective.

88.22 **Subd. 3. Interest of beneficiary.** The transfer-on-death beneficiary or beneficiaries
88.23 have no interest in the watercraft until the death of the owner or the last survivor of joint
88.24 owners with rights of survivorship. A beneficiary designation may be changed at any time
88.25 by the owner or by all joint owners with rights of survivorship, without the consent of the
88.26 beneficiary or beneficiaries, by filing an application for a new certificate of title.

88.27 **Subd. 4. Vesting of ownership in beneficiary.** Ownership of a watercraft titled in
88.28 transfer-on-death form vests in the designated beneficiary or beneficiaries on the death of
88.29 the owner or the last of the joint owners with rights of survivorship, subject to the rights of
88.30 secured parties. The transfer-on-death beneficiary or beneficiaries who survive the owner
88.31 may apply for a new certificate of title to the watercraft upon submitting a certified death
88.32 record of the owner of the watercraft. If no transfer-on-death beneficiary or beneficiaries
88.33 survive the owner of a watercraft, the watercraft must be included in the probate estate
88.34 of the deceased owner. A transfer of a watercraft to a transfer-on-death beneficiary or
88.35 beneficiaries is not a testamentary transfer.

89.1 Subd. 5. **Rights of creditors.** (a) This section does not limit the rights of any
 89.2 secured party or creditor of the owner of a watercraft against a transfer-on-death
 89.3 beneficiary or beneficiaries.

89.4 (b) The state or a county agency with a claim or lien authorized by section 246.53,
 89.5 256B.15, 261.04, or 270C.63, is a creditor for purposes of this subdivision. A claim
 89.6 or lien under those sections continues to apply against the designated beneficiary or
 89.7 beneficiaries after the transfer under this section if other assets of the deceased owner's
 89.8 estate are insufficient to pay the amount of the claim. The claim or lien continues to apply
 89.9 to the watercraft until the designated beneficiary sells or transfers it to a person against
 89.10 whom the claim or lien does not apply and who did not have actual notice or knowledge
 89.11 of the claim or lien.

89.12 Sec. 8. Minnesota Statutes 2014, section 89.0385, is amended to read:

89.13 **89.0385 FOREST MANAGEMENT INVESTMENT ACCOUNT; COST**
 89.14 **CERTIFICATION.**

89.15 (a) The commissioner shall certify the total costs incurred for forest management,
 89.16 forest improvement, and road improvement on state-managed lands during each fiscal
 89.17 year. The commissioner shall distribute forest management receipts credited to various
 89.18 accounts according to this section.

89.19 (b) The amount of the certified costs incurred for forest management activities on
 89.20 state lands shall be transferred from the account where receipts are deposited to the forest
 89.21 management investment account in the natural resources fund, except for those costs
 89.22 certified under section 16A.125. Transfers may occur quarterly, based on quarterly cost and
 89.23 revenue reports, throughout the fiscal year, with final certification and reconciliation after
 89.24 each fiscal year. Transfers in a fiscal year cannot exceed receipts credited to the account.

89.25 (c) The amount of the certified costs incurred for forest management activities
 89.26 on nonstate lands managed under a good neighbor or joint powers agreement must be
 89.27 transferred from the account where receipts are deposited to the forest management
 89.28 investment account in the natural resources fund. Transfers for costs incurred may occur
 89.29 after projects or timber permits are finalized.

89.30 Sec. 9. Minnesota Statutes 2014, section 93.0015, subdivision 3, is amended to read:

89.31 Subd. 3. **Expiration.** The committee expires June 30, ~~2016~~ 2026.

89.32 Sec. 10. Minnesota Statutes 2014, section 93.2236, is amended to read:

89.33 **93.2236 MINERALS MANAGEMENT ACCOUNT.**

90.1 (a) The minerals management account is created as an account in the natural
90.2 resources fund. Interest earned on money in the account accrues to the account. Money in
90.3 the account may be spent or distributed only as provided in paragraphs (b) and (c).

90.4 (b) If the balance in the minerals management account exceeds \$3,000,000 on March
90.5 31, June 30, September 30, or December 31, the amount exceeding \$3,000,000 must
90.6 be distributed to the permanent school fund, the permanent university fund, and taxing
90.7 districts as provided in section 93.22, subdivision 1, paragraph (c). The amount distributed
90.8 to each fund must be in the same proportion as the total mineral lease revenue received
90.9 in the previous biennium from school trust lands, university lands, and lands held by the
90.10 state in trust for taxing districts.

90.11 (c) Subject to appropriation by the legislature, money in the minerals management
90.12 account may be spent by the commissioner of natural resources for mineral resource
90.13 management and projects to enhance future mineral income and promote new mineral
90.14 resource opportunities.

90.15 Sec. 11. Minnesota Statutes 2014, section 94.3495, subdivision 2, is amended to read:

90.16 Subd. 2. **Classes of land; definitions.** (a) The classes of public land that may be
90.17 involved in an expedited exchange under this section are:

90.18 (1) Class 1 land, which for the purpose of this section is Class A land as defined in
90.19 section 94.342, subdivision 1, ~~except for:~~

90.20 ~~(i) school trust land as defined in section 92.025; and~~

90.21 ~~(ii) university land granted to the state by acts of Congress;~~

90.22 (2) Class 2 land, which for the purpose of this section is Class B land as defined in
90.23 section 94.342, subdivision 2; and

90.24 (3) Class 3 land, which for the purpose of this section is all land owned in fee by
90.25 a governmental subdivision of the state.

90.26 (b) "School trust land" has the meaning given in section 92.025.

90.27 (c) "University land" means land granted to the state by acts of Congress for
90.28 university purposes.

90.29 Sec. 12. Minnesota Statutes 2014, section 94.3495, subdivision 3, is amended to read:

90.30 Subd. 3. **Valuation of land.** (a) In an exchange of Class 1 land for Class 2 or 3 land,
90.31 the value of all the land shall be determined by the commissioner of natural resources,
90.32 but the county board must approve the value determined for the Class 2 land, and the
90.33 governmental subdivision of the state must approve the value determined for the Class 3
90.34 land. In an exchange of Class 2 land for Class 3 land, the value of all the land shall be

91.1 determined by the county board of the county in which the land lies, but the governmental
91.2 subdivision of the state must approve the value determined for the Class 3 land.

91.3 (b) To determine the value of the land, the parties to the exchange may either (1)
91.4 cause the land to be appraised, utilize the valuation process provided under section
91.5 84.0272, subdivision 3, or obtain a market analysis from a qualified real estate broker or
91.6 (2) determine the value for each 40-acre tract or lot, or a portion thereof, using the most
91.7 current township or county assessment schedules for similar land types from the county
91.8 assessor of the county in which the lands are located. Merchantable timber value must
91.9 should be determined and considered in finalizing valuation of the lands.

91.10 (b) All (c) Except for school trust lands and university lands, the lands exchanged
91.11 under this section shall be exchanged only for lands of at least substantially equal value.
91.12 For the purposes of this subdivision, "substantially equal value" has the meaning given
91.13 under section 94.343, subdivision 3, paragraph (b). No payment is due either party if the
91.14 lands, other than school trust lands or university lands, are of substantially equal value but
91.15 are not of the same value.

91.16 (d) School trust lands and university lands exchanged under this section must be
91.17 exchanged only for lands of equal or greater value.

91.18 Sec. 13. Minnesota Statutes 2014, section 94.3495, subdivision 7, is amended to read:

91.19 Subd. 7. **Reversionary interest; Mineral and water power rights and other**
91.20 **reservations.** ~~(a) All deeds conveying land given in an expedited land exchange under~~
91.21 ~~this section shall include a reverter that provides that title to the land automatically reverts~~
91.22 ~~to the conveying governmental unit if:~~

91.23 ~~(1) the receiving governmental unit sells, exchanges, or otherwise transfers title of~~
91.24 ~~the land within 40 years of the date of the deed conveying ownership; and~~

91.25 ~~(2) there is no prior written approval for the transfer from the conveying~~
91.26 ~~governmental unit. The authority for granting approval is the commissioner of natural~~
91.27 ~~resources for former Class 1 land, the county board for former Class 2 land, and the~~
91.28 ~~governing body for former Class 3 land.~~

91.29 ~~(b) Class 1 land given in exchange is subject to the reservation provisions of section~~
91.30 ~~94.343, subdivision 4. Class 2 land given in exchange is subject to the reservation~~
91.31 ~~provisions of section 94.344, subdivision 4. County fee land given in exchange is subject~~
91.32 ~~to the reservation provisions of section 373.01, subdivision 1, paragraph (g).~~

91.33 Sec. 14. Minnesota Statutes 2014, section 97A.405, subdivision 2, is amended to read:

92.1 Subd. 2. **Personal possession.** (a) A person acting under a license or traveling from
92.2 an area where a licensed activity was performed must have in personal possession either:
92.3 (1) the proper license, if the license has been issued to and received by the person; (2) a
92.4 driver's license or Minnesota identification card issued under section 171.07, subdivision
92.5 19, that has a valid written designation of the proper lifetime license; or ~~(2)~~ (3) the proper
92.6 license identification number or stamp validation, if the license has been sold to the person
92.7 by electronic means but the actual license has not been issued and received.

92.8 (b) If possession of a license or a license identification number is required, a person
92.9 must exhibit, as requested by a conservation officer or peace officer, ~~either:~~ (1) the
92.10 proper license if the license has been issued to and received by the person; (2) a driver's
92.11 license or Minnesota identification card issued under section 171.07, subdivision 19,
92.12 that has a valid written designation of the proper lifetime license; or ~~(2)~~ (3) the proper
92.13 license identification number or stamp validation and a valid state driver's license, state
92.14 identification card, or other form of identification provided by the commissioner, if the
92.15 license has been sold to the person by electronic means but the actual license has not been
92.16 issued and received. A person charged with violating the license possession requirement
92.17 shall not be convicted if the person produces in court or the office of the arresting officer,
92.18 the actual license previously issued to that person, which was valid at the time of arrest,
92.19 or satisfactory proof that at the time of the arrest the person was validly licensed. Upon
92.20 request of a conservation officer or peace officer, a licensee shall write the licensee's name
92.21 in the presence of the officer to determine the identity of the licensee.

92.22 (c) Except as provided in paragraph (a), clause (2), if the actual license has been
92.23 issued and received, a receipt for license fees, a copy of a license, or evidence showing the
92.24 issuance of a license, including the license identification number or stamp validation, does
92.25 not entitle a licensee to exercise the rights or privileges conferred by a license.

92.26 (d) A license issued electronically and not immediately provided to the licensee shall
92.27 be mailed to the licensee within 30 days of purchase of the license. A pictorial migratory
92.28 waterfowl, pheasant, trout and salmon, or walleye stamp shall be provided to the licensee
92.29 after purchase of a stamp validation only if the licensee pays an additional fee that covers
92.30 the costs of producing and mailing a pictorial stamp. A pictorial turkey stamp may be
92.31 purchased for a fee that covers the costs of producing and mailing the pictorial stamp.
92.32 Notwithstanding section 16A.1283, the commissioner may, by written order published in
92.33 the State Register, establish fees for providing the pictorial stamps. The fees must be set in
92.34 an amount that does not recover significantly more or less than the cost of producing and
92.35 mailing the stamps. The fees are not subject to the rulemaking provisions of chapter 14,
92.36 and section 14.386 does not apply.

93.1 **EFFECTIVE DATE.** This section is effective January 1, 2018, or on the date
93.2 the Department of Public Safety implements the Minnesota Licensing and Registration
93.3 System (MNLARS), whichever occurs first.

93.4 Sec. 15. Minnesota Statutes 2014, section 97A.465, is amended by adding a
93.5 subdivision to read:

93.6 Subd. 8. **Nonresident members of National Guard.** A nonresident that is a
93.7 member of the state's National Guard may obtain a resident license to take fish or game.
93.8 This subdivision does not apply to the taking of moose or elk.

93.9 Sec. 16. Minnesota Statutes 2014, section 171.07, is amended by adding a subdivision
93.10 to read:

93.11 Subd. 19. **Resident lifetime game and fish license.** (a) The department shall
93.12 maintain in its records information transmitted electronically from the commissioner of
93.13 natural resources identifying each person to whom the commissioner has issued a resident
93.14 lifetime license under section 97A.473. The records transmitted from the Department of
93.15 Natural Resources must contain:

93.16 (1) the full name and date of birth as required for the driver's license or identification
93.17 card;

93.18 (2) the category of lifetime license issued under section 97A.473; and

93.19 (3) the Department of Natural Resources lifetime license number.

93.20 Records that are not matched to a driver's license or identification card record may
93.21 be deleted after seven years.

93.22 (b) After receiving information under paragraph (a) that a person has received
93.23 a lifetime license, the department shall include, on all drivers' licenses or Minnesota
93.24 identification cards subsequently issued to the person, a written designation that the person
93.25 has a lifetime license, the category of the lifetime license issued, and the Department of
93.26 Natural Resources lifetime license number.

93.27 (c) If a person who has received a lifetime license under section 97A.473 applies
93.28 for a driver's license or Minnesota identification card before that information has been
93.29 transmitted to the department, the department may accept a copy of the license issued
93.30 under section 97A.473 as proof of its issuance and shall then follow the procedures in
93.31 paragraph (b).

93.32 **EFFECTIVE DATE.** This section is effective January 1, 2018, or on the date
93.33 the Department of Public Safety implements the Minnesota Licensing and Registration
93.34 System (MNLARS), whichever occurs first.

94.1 Sec. 17. Laws 2000, chapter 486, section 4, as amended by Laws 2001, chapter 182,
94.2 section 2, is amended to read:

94.3 Sec. 4. **[BOATHOUSE LEASES; SOUDAN UNDERGROUND MINE STATE**
94.4 **PARK.]**

94.5 (a) In 1965, United States Steel Corporation conveyed land to the state of Minnesota
94.6 that was included in the Soudan underground mine state park, with certain lands at Stuntz
94.7 Bay subject to leases outstanding for employee boathouse sites.

94.8 (b) Notwithstanding Minnesota Statutes, sections 85.011, 85.012, subdivision 1, and
94.9 86A.05, subdivision 2, upon the expiration of a boathouse lease described under paragraph
94.10 (a), the commissioner of natural resources shall offer a new lease to the party in possession
94.11 at the time of lease expiration, or, if there has been a miscellaneous lease issued by the
94.12 Department of Natural Resources due to expiration of a lease described under paragraph
94.13 (a), upon its expiration to the lessee. The new lease shall be issued under the terms and
94.14 conditions of Minnesota Statutes, section 92.50, with the following limitations:

94.15 (1) the term of the lease shall be for the lifetime of the party being issued a renewed
94.16 lease and, if transferred, for the lifetime of the party to whom the lease is transferred;

94.17 (2) the new lease shall provide that the lease may be transferred only once and the
94.18 transfer must be to a person within the third degree of kindred or first cousin according to
94.19 civil law; ~~and~~

94.20 (3) the commissioner shall limit the number of lessees per lease to no more than two
94.21 persons who have attained legal age; and

94.22 (4) the lease amount must not exceed 50 percent of the average market rate, based
94.23 on comparable private lease rates adjusted every five years.

94.24 At the time of the new lease, the commissioner may offer, and after agreement with the
94.25 leaseholder, lease equivalent alternative sites to the leaseholder.

94.26 (c) The commissioner shall not cancel a boathouse lease described under paragraphs
94.27 (a) and (b) except for noncompliance with the lease agreement.

94.28 (d) The commissioner must issue a written receipt to the lessee for each lease
94.29 payment.

94.30 ~~(d)~~ (e) By January 15, 2001, the commissioner of natural resources shall report to
94.31 the senate and house environment and natural resources policy and finance committees on
94.32 boathouse leases in state parks. The report shall include information on:

94.33 (1) the number of boathouse leases;

94.34 (2) the number of leases that have forfeited;

94.35 (3) the expiration dates of the leases;

94.36 (4) the historical significance of the boathouses;

95.1 (5) recommendations on the inclusion of the land described in paragraph (d) within
 95.2 the park boundary; and

95.3 (6) any other relevant information on the leases.

95.4 ~~(e)~~ (f) The commissioner of natural resources shall contact U.S.X. Corporation and
 95.5 local units of government regarding the inclusion of the following lands within Soudan
 95.6 underground mine state park:

95.7 (1) all lands located South of Vermillion Lake shoreline in Section 13, Township
 95.8 62 North, Range 15 West;

95.9 (2) all lands located South of Vermillion Lake shoreline in the S1/2-SE1/4 of Section
 95.10 14, Township 62 North, Range 15 West;

95.11 (3) NE1/4-SE1/4 and E1/2-NE1/4 of Section 22, Township 62 North, Range 15 West;

95.12 (4) all lands located South of Vermillion Lake shoreline in Section 23, Township
 95.13 62 North, Range 15 West;

95.14 (5) all of Section 24, Township 62 North, Range 15 West;

95.15 (6) all lands North of trunk highway No. 169 located in Section 25, Township
 95.16 62 North, Range 15 West;

95.17 (7) all lands North of trunk highway No. 169 located in Section 26, Township
 95.18 62 North, Range 15 West;

95.19 (8) NE1/4-SE1/4 and SE1/4-NE1/4 of Section 27, Township 62 North, Range 15
 95.20 West; and

95.21 (9) NW1/4 of Section 19, Township 62 North, Range 14 West.

95.22 **EFFECTIVE DATE.** This section is effective the day following final enactment
 95.23 and applies to monthly lease payments made on or after that date.

95.24 Sec. 18. Laws 2014, chapter 312, article 12, section 6, subdivision 5, as amended by
 95.25 Laws 2015, First Special Session chapter 4, article 3, section 11, is amended to read:

95.26 Subd. 5. **Fish and Wildlife**

95.27 **Management** -0- 2,412,000

95.28 \$3,000 in 2015 is from the heritage
 95.29 enhancement account in the game and fish
 95.30 fund for a report on aquatic plant management
 95.31 permitting policies for the management
 95.32 of narrow-leaved and hybrid cattail in a
 95.33 range of basin types across the state. The
 95.34 report shall be submitted to the chairs and
 95.35 ranking minority members of the house of

96.1 representatives and senate committees with
96.2 jurisdiction over environment and natural
96.3 resources by December 15, 2014, and include
96.4 recommendations for any necessary changes
96.5 in statutes, rules, or permitting procedures.

96.6 This is a onetime appropriation.

96.7 \$9,000 in 2015 is from the game and fish
96.8 fund for the commissioner, in consultation
96.9 with interested parties, agencies, and other
96.10 states, to develop a detailed restoration plan
96.11 to recover the historical native population of
96.12 bobwhite quail in Minnesota for its ecological
96.13 and recreational benefits to the citizens of the
96.14 state. The commissioner shall conduct public
96.15 meetings in developing the plan. No later
96.16 than January 15, 2015, the commissioner
96.17 must report on the plan's progress to the
96.18 legislative committees with jurisdiction over
96.19 environment and natural resources policy
96.20 and finance. This is a onetime appropriation.

96.21 \$2,000,000 in 2015 is from the game and
96.22 fish fund for shooting sports facility grants
96.23 under Minnesota Statutes, section 87A.10.
96.24 The commissioner may spend up to \$50,000
96.25 of this appropriation to administer the grant.

96.26 This is a onetime appropriation and is
96.27 available until June 30, 2017.

96.28 \$400,000 in 2015 is from the heritage
96.29 enhancement account in the game and fish
96.30 fund for hunter and angler recruitment
96.31 and retention activities and grants to local
96.32 chapters of Let's Go Fishing of Minnesota
96.33 to provide community outreach to senior
96.34 citizens, youth, and veterans and for the costs
96.35 associated with establishing and recruiting

97.1 new chapters. The grants must be matched
 97.2 with cash or in-kind contributions from
 97.3 nonstate sources. Of this amount, \$25,000
 97.4 is for Asian ~~Outdoor Heritage~~ for youth
 97.5 fishing recruitment efforts and outreach in
 97.6 the metropolitan area. The commissioner
 97.7 shall establish a grant application process
 97.8 that includes a standard for ownership
 97.9 of equipment purchased under the grant
 97.10 program and contract requirements that
 97.11 cover the disposition of purchased equipment
 97.12 if the grantee no longer exists. Any
 97.13 equipment purchased with state grant money
 97.14 must be specified on the grant application
 97.15 and approved by the commissioner. The
 97.16 commissioner may spend up to three percent
 97.17 of the appropriation to administer the grant.
 97.18 This is a onetime appropriation and is
 97.19 available until June 30, ~~2016~~ 2017.

97.20 Sec. 19. Laws 2015, First Special Session chapter 4, article 3, section 3, subdivision 5,
 97.21 is amended to read:

97.22 Subd. 5. **Parks and Trails Management** 74,064,000 73,650,000

97.23	Appropriations by Fund		
97.24		2016	2017
97.25	General	24,967,000	24,427,000
97.26	Natural Resources	46,831,000	46,950,000
97.27	Game and Fish	2,266,000	2,273,000

97.28 \$1,075,000 the first year and \$1,075,000 the
 97.29 second year are from the water recreation
 97.30 account in the natural resources fund for
 97.31 enhancing public water access facilities.

97.32 \$5,740,000 the first year and \$5,740,000 the
 97.33 second year are from the natural resources
 97.34 fund for state trail, park, and recreation area
 97.35 operations. This appropriation is from the

98.1 revenue deposited in the natural resources
98.2 fund under Minnesota Statutes, section
98.3 297A.94, paragraph (e), clause (2).

98.4 \$1,005,000 the first year and \$1,005,000 the
98.5 second year are from the natural resources
98.6 fund for park and trail grants to local units of
98.7 government on land to be maintained for at
98.8 least 20 years for the purposes of the grants.
98.9 This appropriation is from the revenue
98.10 deposited in the natural resources fund
98.11 under Minnesota Statutes, section 297A.94,
98.12 paragraph (e), clause (4). Any unencumbered
98.13 balance does not cancel at the end of the first
98.14 year and is available for the second year. Up
98.15 to 2.5 percent of this appropriation may be
98.16 used to administer the grants.

98.17 \$8,424,000 the first year and \$8,424,000
98.18 the second year are from the snowmobile
98.19 trails and enforcement account in the
98.20 natural resources fund for the snowmobile
98.21 grants-in-aid program. Any unencumbered
98.22 balance does not cancel at the end of the first
98.23 year and is available for the second year.

98.24 \$1,360,000 the first year and \$1,360,000
98.25 the second year are from the natural
98.26 resources fund for the off-highway vehicle
98.27 grants-in-aid program. Of this amount,
98.28 \$1,210,000 each year is from the all-terrain
98.29 vehicle account; and \$150,000 each year is
98.30 from the off-highway motorcycle account.
98.31 Any unencumbered balance does not cancel
98.32 at the end of the first year and is available for
98.33 the second year.

98.34 \$75,000 the first year and \$75,000 the second
98.35 year are from the cross-country ski account

99.1 in the natural resources fund for grooming
99.2 and maintaining cross-country ski trails in
99.3 state parks, trails, and recreation areas.

99.4 \$250,000 the first year and \$250,000 the
99.5 second year are from the state land and
99.6 water conservation account (LAWCON)
99.7 in the natural resources fund for priorities
99.8 established by the commissioner for eligible
99.9 state projects and administrative and
99.10 planning activities consistent with Minnesota
99.11 Statutes, section 84.0264, and the federal
99.12 Land and Water Conservation Fund Act.

99.13 Any unencumbered balance does not cancel
99.14 at the end of the first year and is available for
99.15 the second year.

99.16 \$968,000 the first year and \$968,000 the
99.17 second year are from the off-road vehicle
99.18 account in the natural resources fund. Of
99.19 this amount, \$568,000 each year is for parks
99.20 and trails management for off-road vehicle
99.21 purposes; \$325,000 each year is for the
99.22 off-road vehicle grant in aid program; and
99.23 \$75,000 each year is for a new full-time
99.24 employee position or contract in northern
99.25 Minnesota to work in conjunction with the
99.26 Minnesota Four-Wheel Drive Association
99.27 to address off-road vehicle touring routes
99.28 and other issues related to off-road vehicle
99.29 activities. Of this appropriation, the \$325,000
99.30 each year is onetime.

99.31 \$65,000 the first year is from the water
99.32 recreation account in the natural resources
99.33 fund to cooperate with local units of
99.34 government in marking routes and
99.35 designating river accesses and campsites

100.1 under Minnesota Statutes, section 85.32.

100.2 This is a onetime appropriation and is
100.3 available until June 30, 2019.

100.4 \$190,000 the first year is for a grant to the
100.5 city of Virginia for the additional cost of
100.6 supporting a trail due to the rerouting of
100.7 U.S. Highway No. 53. This is a onetime
100.8 appropriation and is available until June 30,
100.9 2019.

100.10 \$50,000 the first year is for development of
100.11 a master plan for the Mississippi Blufflands
100.12 Trail, including work on possible extensions
100.13 or connections to other state or regional
100.14 trails. This is a onetime appropriation that is
100.15 available until June 30, 2017.

100.16 \$61,000 from the natural resources fund the
100.17 first year is for a grant to the city of East
100.18 Grand Forks for payment under a reciprocity
100.19 agreement for the Red River State Recreation
100.20 Area.

100.21 \$500,000 the first year is for restoration or
100.22 replacement of a historic trestle bridge in
100.23 Blackduck. This is a onetime appropriation
100.24 and is available until June 30, 2019.

100.25 The base for parks and trails operations in
100.26 the natural resources fund in fiscal year 2018
100.27 and thereafter is \$46,450,000.

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

100.29 Sec. 20. Laws 2015, First Special Session chapter 4, article 4, section 131, is amended
100.30 to read:

100.31 Sec. 131. **SURPLUS STATE LAND SALES.**

100.32 The school trust lands director shall identify, in consultation with the commissioner
100.33 of natural resources, at least \$5,000,000 in state-owned lands suitable for sale or exchange

101.1 with school trust lands. The lands identified shall not be within a unit of the outdoor
101.2 recreation system under Minnesota Statutes, section 86A.05, an administrative site, or trust
101.3 land. The commissioner shall sell or exchange at least \$3,000,000 worth of lands identified
101.4 under this section by June 30, 2017. Land exchanged under this section may be exchanged
101.5 in accordance with Minnesota Statutes, section 94.3495. The value of the surplus land
101.6 exchanged shall serve as compensation to the permanent school fund as provided under
101.7 Minnesota Statutes, section 84.027, subdivision 18, paragraph (b). Notwithstanding the
101.8 restrictions on sale of riparian land and the public sale provisions under Minnesota
101.9 Statutes, sections 92.45, 94.09, and 94.10, the commissioner may offer the surplus land,
101.10 including land bordering public water, for public or private sale. Notwithstanding
101.11 Minnesota Statutes, section 94.16, subdivision 3, or any other law to the contrary, the
101.12 amount of the proceeds from the sale of lands that exceeds the actual expenses of selling
101.13 the lands must be deposited in the school trust lands account and used to extinguish the
101.14 school trust interest as provided under Minnesota Statutes, section 92.83, on school trust
101.15 lands that have public water access sites or old growth forests located on them.

101.16 Sec. 21. **COLD SPRING WATER APPROPRIATION PERMITS; REPORT.**

101.17 (a) The commissioner of natural resources shall amend the city of Cold Spring's
101.18 water appropriation permit to allow an increase in the city's water withdrawal of 100
101.19 million gallons per year from city wells 4, 5, and 6, provided a combined reduction of
101.20 ten million gallons per year is made from city well 3 or water appropriations under any
101.21 permits held by brewing companies in the Cold Spring Creek area. The city and any other
101.22 permit holder with permit modifications made under this section must comply with all
101.23 existing reporting requirements and demonstrate that increased pumping does not result in
101.24 violations of the Safe Drinking Water Act. The increases under this section are available
101.25 on an interim basis, not to exceed five years, to allow the city to establish a long-term
101.26 water supply solution for the city and area businesses.

101.27 (b) The commissioner must conduct necessary monitoring of stream flow and water
101.28 levels and develop a groundwater model to determine the amount of water that can be
101.29 sustainably pumped in the area of Cold Spring Creek for area businesses, agriculture, and
101.30 city needs. Beginning July 1, 2017, the commissioner must submit an annual progress
101.31 report to the chairs and ranking minority members of the house of representatives and
101.32 senate committees and divisions with jurisdiction over environment and natural resources.
101.33 The commissioner must submit a final report by January 15, 2022.

101.34 Sec. 22. **APPROPRIATION REALLOCATION.**

103.1 provided in Minnesota Statutes, section
103.2 116J.395. This is a onetime appropriation.

103.3 (b) Of the appropriation in paragraph (a),
103.4 the commissioner may include the following
103.5 activities related to measuring progress
103.6 toward the state's broadband goals established
103.7 in Minnesota Statutes, section 237.012,
103.8 as administrative costs under Minnesota
103.9 Statutes, section 116J.395. Administrative
103.10 costs may include the following activities
103.11 related to measuring progress toward the
103.12 state's broadband goals established in
103.13 Minnesota Statutes, section 237.012:

103.14 (1) collecting broadband deployment data
103.15 from Minnesota providers, verifying its
103.16 accuracy through on-the-ground testing, and
103.17 creating state and county maps available
103.18 to the public showing the availability of
103.19 broadband service at various upload and
103.20 download speeds throughout Minnesota;

103.21 (2) analyzing the deployment data collected
103.22 to help inform future investments in
103.23 broadband infrastructure; and

103.24 (3) conducting business and residential
103.25 surveys that measure broadband adoption
103.26 and use in the state.

103.27 (c) Data provided by a broadband provider
103.28 under this paragraph is nonpublic data
103.29 under Minnesota Statutes, section 13.02,
103.30 subdivision 9. Maps produced under this
103.31 paragraph are public data under Minnesota
103.32 Statutes, section 13.03.

103.33 Sec. 3. Minnesota Statutes 2015 Supplement, section 116J.394, is amended to read:

103.34 **116J.394 DEFINITIONS.**

104.1 (a) For the purposes of sections 116J.394 to 116J.396, the following terms have
104.2 the meanings given them.

104.3 (b) "Broadband" or "broadband service" has the meaning given in section 116J.39,
104.4 subdivision 1, paragraph (b).

104.5 (c) "Broadband infrastructure" means networks of deployed telecommunications
104.6 equipment and technologies necessary to provide high-speed Internet access and other
104.7 advanced telecommunications services for end users.

104.8 (d) "Commissioner" means the commissioner of employment and economic
104.9 development.

104.10 (e) "Last-mile infrastructure" means broadband infrastructure that serves as the
104.11 final leg connecting the broadband service provider's network to the end-use customer's
104.12 on-premises telecommunications equipment.

104.13 (f) "Middle-mile infrastructure" means broadband infrastructure that links a
104.14 broadband service provider's core network infrastructure to last-mile infrastructure.

104.15 (g) "Political subdivision" means any county, city, town, school district, special
104.16 district or other political subdivision, or public corporation.

104.17 (h) "Underserved areas" means areas of Minnesota in which households or
104.18 businesses lack access to wire-line broadband service at speeds ~~that meet the state~~
104.19 ~~broadband goals of ten to 20~~ at least 100 megabits per second download and five to ten
104.20 at least 20 megabits per second upload.

104.21 (i) "Unserved areas" means areas of Minnesota in which households or businesses
104.22 lack access to wire-line broadband service, ~~as defined in section 116J.39~~ at speeds of at
104.23 least 25 megabits per second download and at least three megabits per second upload.

104.24 Sec. 4. Minnesota Statutes 2014, section 116J.396, subdivision 2, is amended to read:

104.25 Subd. 2. **Expenditures.** Money in the account may be used only:

104.26 (1) for grant awards made under section 116J.395, including costs incurred by the
104.27 Department of Employment and Economic Development to administer that section not
104.28 to exceed three percent of any expenditures made from the border-to-border broadband
104.29 fund account;

104.30 (2) to supplement revenues raised by bonds sold by local units of government for
104.31 broadband infrastructure development; or

104.32 (3) to contract for the collection of broadband deployment data from providers and
104.33 the creation of maps showing the availability of broadband service.

104.34 Sec. 5. Minnesota Statutes 2014, section 237.012, subdivision 1, is amended to read:

105.1 Subdivision 1. **Universal access and high-speed goal.** It is a state goal that as
 105.2 soon as possible, but no later than 2015, all state residents and businesses have access to
 105.3 high-speed broadband that provides minimum download speeds of ten to 20 megabits per
 105.4 second and minimum upload speeds of five to ten megabits per second.;

105.5 (1) no later than 2022, all Minnesota businesses and homes have access to
 105.6 high-speed broadband that provides minimum download speeds of at least 25 megabits
 105.7 per second and minimum upload speeds of at least three megabits per second; and

105.8 (2) no later than 2026, all Minnesota businesses and homes have access to at least
 105.9 one provider of broadband with download speeds of at least 100 megabits per second and
 105.10 upload speeds of at least 20 megabits per second.

105.11 **ARTICLE 6**

105.12 **EQUITY**

105.13 Section 1. **APPROPRIATIONS.**

105.14 The sums shown in the columns marked "Appropriations" are appropriated to the
 105.15 agencies and for the purposes specified in this article. The appropriations are from the
 105.16 general fund, or another named fund, and are available for the fiscal year indicated
 105.17 for each purpose. The figures "2016" and "2017" used in this article mean that the
 105.18 appropriations listed under them are available for the fiscal year ending June 30, 2016,
 105.19 or June 30, 2017, respectively.

105.20		<u>APPROPRIATIONS</u>	
105.21		<u>Available for the Year</u>	
105.22		<u>Ending June 30</u>	
105.23		<u>2016</u>	<u>2017</u>

105.24 Sec. 2. **EQUITY APPROPRIATIONS**

105.25	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>87,130,000</u>
105.26	<u>Subd. 2. Department of Employment and</u>				
105.27	<u>Economic Development</u>		<u>-0-</u>		<u>60,557,000</u>

105.28 (a) \$1,420,000 in fiscal year 2017 is for
 105.29 grants to the Neighborhood Development
 105.30 Center for small business programs. This is a
 105.31 onetime appropriation and is available until
 105.32 June 30, 2019.

105.33 Of this amount, \$770,000 is for the small
 105.34 business development program, including:

106.1 (1) \$600,000 for training, lending, and
106.2 business services for aspiring business
106.3 owners, and expansion of services for
106.4 immigrants in suburban communities; and
106.5 (2) \$170,000 is for Neighborhood
106.6 Development Center model outreach and
106.7 training activities in greater Minnesota.
106.8 Of this amount, \$650,000 is for grants for the
106.9 small business incubator program, including:
106.10 (1) \$400,000 for capital improvements to
106.11 existing small business incubators; and
106.12 (2) \$250,000 for the creation of two
106.13 additional small business incubators.
106.14 (b) \$2,500,000 in fiscal year 2017 is for
106.15 the Minnesota Initiative program under
106.16 Minnesota Statutes, section 116M.18.
106.17 Priority for loans made from this
106.18 appropriation shall be given to businesses
106.19 operated by women of color. This is a
106.20 onetime appropriation and is available until
106.21 June 30, 2019.
106.22 (c) \$5,550,000 in fiscal year 2017 is for
106.23 a competitive grant program to provide
106.24 grants to organizations that provide support
106.25 services for individuals, such as job training,
106.26 employment preparation, internships,
106.27 assistance to fathers in supporting their
106.28 children, financial literacy, academic and
106.29 behavioral interventions for low-performing
106.30 students, and youth intervention. Grants
106.31 made under this section must focus on
106.32 low-income communities, young adults from
106.33 families with a history of intergenerational
106.34 poverty, and communities of color. All grant
106.35 recipients are subject to the requirements of

107.1 section 35. This is a onetime appropriation
107.2 and is available until June 30, 2019.

107.3 (d) \$2,100,000 in fiscal year 2017 is for
107.4 grants to YWCA organizations to provide job
107.5 training services and workforce development
107.6 programs and services, including job skills
107.7 training and counseling necessary to secure
107.8 a child development associate credential and
107.9 to develop a career path in early childhood
107.10 education. This is a onetime appropriation
107.11 and is available until June 30, 2019.

107.12 (e) \$4,250,000 in fiscal year 2017 is for a
107.13 grant to EMERGE Community Development,
107.14 in collaboration with community partners, for
107.15 services targeting Minnesota communities
107.16 with the highest concentrations of African
107.17 and African-American joblessness to provide
107.18 employment readiness training, credentialed
107.19 training placement, job placement and
107.20 retention services, supportive services for
107.21 hard-to-employ individuals, and a general
107.22 education development fast track and
107.23 adult diploma program. This is a onetime
107.24 appropriation and is available until June 30,
107.25 2019.

107.26 (f) \$5,050,000 in fiscal year 2017 is for
107.27 a grant to the Metropolitan Economic
107.28 Development Association (MEDA) for
107.29 statewide business development and
107.30 assistance services, including services to
107.31 entrepreneurs with businesses that have
107.32 the potential to create job opportunities for
107.33 unemployed and underemployed people. The
107.34 grants must be awarded with an emphasis
107.35 on minority-owned businesses. This is a

108.1 onetime appropriation and is available until
108.2 June 30, 2019.

108.3 Of this appropriation, \$3,250,000 is for a
108.4 revolving loan fund to provide additional
108.5 minority-owned businesses with access to
108.6 capital.

108.7 (g) \$1,500,000 in fiscal year 2017 is for a
108.8 grant to the Minneapolis Foundation for
108.9 a strategic intervention program designed
108.10 to target and connect program participants
108.11 to meaningful, sustainable living-wage
108.12 employment. This is a onetime appropriation
108.13 and is available until June 30, 2019.

108.14 (h) \$407,000 in fiscal year 2017 is for a
108.15 grant to Twin Cities R!SE, in collaboration
108.16 with Metro Transit and Hennepin Technical
108.17 College, for the Metro Transit technician
108.18 training program. This is a onetime
108.19 appropriation and is available until June 30,
108.20 2019.

108.21 (i) \$4,800,000 in fiscal year 2017 is for
108.22 the creation of additional multiemployer,
108.23 sector-based career connections pathways.
108.24 This is a onetime appropriation and is
108.25 available until June 30, 2019. \$4,500,000 of
108.26 this amount is for a grant to Hennepin County
108.27 to establish pathways using the Hennepin
108.28 Career Connections framework. \$300,000
108.29 of this amount is for a grant to Hennepin
108.30 County to establish a pilot program based on
108.31 the career connections pathways framework
108.32 outside the seven-county metropolitan area,
108.33 in collaboration with another local unit of
108.34 government.

109.1 (j) \$1,500,000 in fiscal year 2017 is for the
109.2 high-wage, high-demand, nontraditional
109.3 jobs grant program under Minnesota
109.4 Statutes, section 116L.99. This is a onetime
109.5 appropriation and is available until June 30,
109.6 2019.

109.7 (k) \$8,000,000 in fiscal year 2017 is for the
109.8 youth-at-work competitive grant program
109.9 under Minnesota Statutes, section 116L.562,
109.10 subdivision 3. This is a onetime appropriation
109.11 and is available until June 30, 2019. Of
109.12 this amount, \$6,000,000 is for increases to
109.13 existing applicants who were awarded grants
109.14 in fiscal year 2016 and 2017, and \$2,000,000
109.15 is to fund existing or new eligible applicants.

109.16 (l) \$4,000,000 in fiscal year 2017 is for a
109.17 competitive grant program for grants to
109.18 organizations providing services to relieve
109.19 economic disparities in the Southeast Asian
109.20 community through workforce recruitment,
109.21 development, job creation, assistance of
109.22 smaller organizations to increase capacity,
109.23 and outreach. Grant recipients under this
109.24 paragraph are subject to the requirements of
109.25 section 35. This is a onetime appropriation
109.26 and is available until June 30, 2019.

109.27 (m) \$1,500,000 in fiscal year 2017 is for
109.28 a grant to Latino Communities United
109.29 in Service (CLUES) to expand culturally
109.30 tailored programs that address employment
109.31 and education skill gaps for working parents
109.32 and underserved youth by providing new
109.33 job skills training to stimulate higher wages
109.34 for low-income people, family support
109.35 systems designed to reduce intergenerational

110.1 poverty, and youth programming to promote
110.2 educational advancement and career
110.3 pathways. At least 50 percent of this amount
110.4 must be used for programming targeted
110.5 at greater Minnesota. This is a onetime
110.6 appropriation and is available until June 30,
110.7 2019.

110.8 (n) \$880,000 in fiscal year 2017 is for a grant
110.9 to the American Indian Opportunities and
110.10 Industrialization Center, in collaboration
110.11 with the Northwest Indian Community
110.12 Development Center, to reduce academic
110.13 disparities for American Indian students
110.14 and adults. The grant funds may be used to
110.15 provide:

110.16 (1) student tutoring and testing support
110.17 services;

110.18 (2) training in information technology;

110.19 (3) assistance in obtaining a GED;

110.20 (4) remedial training leading to enrollment in
110.21 a postsecondary higher education institution;

110.22 (5) real-time work experience in information
110.23 technology fields; and

110.24 (6) contextualized adult basic education.

110.25 This is a onetime appropriation and is
110.26 available until June 30, 2019.

110.27 (o) \$1,000,000 in fiscal year 2017 is for
110.28 a grant to the White Earth Nation for the
110.29 White Earth Nation Integrated Business
110.30 Development System to provide business
110.31 assistance with workforce development,
110.32 outreach, technical assistance, infrastructure
110.33 and operational support, financing, and other
110.34 business development activities. This is a

111.1 onetime appropriation and is available until
111.2 June 30, 2019.

111.3 (p) \$6,000,000 is for the emerging
111.4 entrepreneur fund program. This is a onetime
111.5 appropriation and is available until June 30,
111.6 2019. Of this amount, \$5,000,000 is for
111.7 small business lending and shall be deposited
111.8 in the emerging entrepreneur fund special
111.9 revenue account under Minnesota Statutes,
111.10 section 116J.55, and \$1,000,000 is for grants
111.11 for small business technical assistance.

111.12 (q) \$5,100,000 is for the Pathways to
111.13 Prosperity adult workforce development
111.14 competitive grant program. When
111.15 awarding grants under this paragraph, the
111.16 commissioner must give preference to any
111.17 previous grantee with demonstrated success
111.18 in job training and placement for hard-to-train
111.19 individuals. A portion of the grants must
111.20 provide year-end educational and experiential
111.21 learning opportunities for teens and young
111.22 adults that provide careers in the construction
111.23 industry. This is a onetime appropriation and
111.24 is available until June 30, 2019.

111.25 (r) \$3,000,000 is for the capacity
111.26 building grant program to assist nonprofit
111.27 organizations offering or seeking to offer
111.28 workforce development and economic
111.29 development programming. This is a
111.30 onetime appropriation and is available until
111.31 June 30, 2019.

111.32 (s) \$2,000,000 in fiscal year 2017 is for a grant
111.33 to Youthprise for positive youth development,
111.34 community engagement, legal services, and
111.35 capacity building for community-based

112.1 organizations serving Somali youth,
 112.2 including youth engagement, prevention,
 112.3 and intervention activities that help build
 112.4 the resiliency of the Somali Minnesotan
 112.5 community and address challenges facing
 112.6 Somali youth. Funded projects must provide
 112.7 culturally and linguistically relevant services.
 112.8 To the maximum extent possible, 50 percent
 112.9 of the funding must be distributed in greater
 112.10 Minnesota, and 50 percent of funding must
 112.11 be distributed within the metropolitan area,
 112.12 as defined in Minnesota Statutes, section
 112.13 473.121, subdivision 2. This is a onetime
 112.14 appropriation and is available until June 30,
 112.15 2019.

112.16 <u>Subd. 3. Department of Administration</u>	<u>-0-</u>	<u>2,500,000</u>
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112.17 \$2,500,000 is to assess, upgrade, and enhance
 112.18 accounting and procurement software to
 112.19 facilitate targeted group business utilization
 112.20 and data reporting. This is a onetime
 112.21 appropriation and is available until June 30,
 112.22 2019.

112.23 <u>Subd. 4. Department of Corrections</u>	<u>-0-</u>	<u>350,000</u>
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112.24 \$350,000 is for a grant to a nonprofit
 112.25 organization to provide job skills training
 112.26 to individuals who have been released from
 112.27 incarceration for a felony-level offense in the
 112.28 preceding 12 months. To be eligible for the
 112.29 grant, the organization shall:

112.30 (1) provide housing or rental assistance for
 112.31 program participants;

112.32 (2) provide employment opportunities for
 112.33 program participants;

113.1 (3) require program participants, when
 113.2 appropriate, to receive counseling for alcohol
 113.3 or chemical dependency; and

113.4 (4) serve a primarily minority population.

113.5 This is a onetime appropriation and is
 113.6 available until June 30, 2019.

113.7 **Subd. 5. Minnesota Housing Finance Agency** -0- 500,000

113.8 \$500,000 is for a grant to Build Wealth MN to
 113.9 provide a family stabilization plan program
 113.10 including program outreach, financial
 113.11 literacy education, and budget and debt
 113.12 counseling. This is a onetime appropriation
 113.13 and is available until June 30, 2019.

113.14 **Subd. 6. Department of Agriculture** -0- 5,000,000

113.15 \$5,000,000 shall be deposited in the good
 113.16 food access account created in Minnesota
 113.17 Statutes, section 17.1017, subdivision 3. This
 113.18 is a onetime appropriation and is available
 113.19 until June 30, 2019.

113.20 **Subd. 7. Department of Education** -0- 10,200,000

113.21 (a) \$1,500,000 in fiscal year 2017 is for a first
 113.22 class city school district or any other school
 113.23 district with more than 40 percent minority
 113.24 students to provide tuition scholarships
 113.25 or stipends to eligible employees for a
 113.26 nonconventional teacher residency pilot
 113.27 program established under Minnesota
 113.28 Statutes, section 122A.09, subdivision 10,
 113.29 paragraph (a). The program shall provide
 113.30 tuition scholarships or stipends to enable
 113.31 education or teaching assistants or other
 113.32 nonlicensed employees of a first class city
 113.33 school district or any other school district
 113.34 with more than 40 percent minority students

114.1 who hold a bachelor's degree from an
114.2 accredited college or university and who seek
114.3 an education license to participate in a Board
114.4 of Teaching-approved nonconventional
114.5 teacher residency program under Minnesota
114.6 Statutes, section 122A.09, subdivision 10,
114.7 paragraph (a). Any funds not awarded by
114.8 June 1, 2017, may be reallocated among the
114.9 remaining districts if the total cost of the
114.10 program exceeds the original allocation. This
114.11 is a onetime appropriation and is available
114.12 until June 30, 2019.

114.13 (b) \$3,200,000 in fiscal year 2017 is for grants
114.14 as provided under this paragraph. This is a
114.15 onetime appropriation and is available until
114.16 June 30, 2019. Of this amount, \$1,200,000
114.17 is for grants to adult basic education (ABE)
114.18 program providers to establish up to four
114.19 college readiness academies. A college
114.20 readiness academy is a partnership between
114.21 ABE programs, with support from Minnesota
114.22 State Colleges and Universities, to prepare
114.23 ABE students to successfully enter college
114.24 and complete credit-bearing courses needed
114.25 for career-related credentials. The academies
114.26 must include academic skill building for
114.27 college success, integrated sector-specific
114.28 academic training when applicable, and
114.29 intensive navigation and educational
114.30 support for the program participants. The
114.31 commissioner must award one grant to the
114.32 International Institute of Minnesota. The
114.33 remaining grant awards must be based on the
114.34 following criteria:

114.35 (1) program capacity;

115.1 (2) program need for funding; and
115.2 (3) geographic balance of programs around
115.3 the state.
115.4 Of the amount appropriated under this
115.5 paragraph, \$1,200,000 is for grants to
115.6 ABE program providers that establish
115.7 a contextualized GED or adult diploma
115.8 program to prepare adults for successful
115.9 GED or adult diploma completion and
115.10 successful entry into credentialing programs
115.11 leading to careers. The programs must:
115.12 (1) provide program navigation and academic
115.13 supports;
115.14 (2) be connected to an ABE consortium and
115.15 partner with the Department of Employment
115.16 and Economic Development;
115.17 (3) provide instruction in one of the state's six
115.18 demand sectors identified by the Department
115.19 of Employment and Economic Development,
115.20 servicing participants in the top three ABE
115.21 levels of ABE intermediate high, adult
115.22 secondary education (ASE) low, or ASE
115.23 high;
115.24 (4) have a history of success working with
115.25 the target populations; and
115.26 (5) demonstrate how a GED or an adult
115.27 diploma plus the designated postsecondary
115.28 credential will lead to a career.
115.29 The commissioner shall award grants to
115.30 four contextualized GED or adult diploma
115.31 programs based on program capacity, need,
115.32 and geographic balance of programs around
115.33 the state. One grant must be awarded to
115.34 Summit Academy OIC.

116.1 Of the amount appropriated under this
116.2 paragraph, \$800,000 is for grants to eight
116.3 ABE programs to provide ABE navigating
116.4 and advising support services. The programs
116.5 must help ABE students:

116.6 (1) explore careers;
116.7 (2) develop personalized learning;
116.8 (3) plan for a postsecondary education and
116.9 career;
116.10 (4) attain personal learning goals;
116.11 (5) complete a standard adult high school
116.12 diploma under Minnesota Statutes, section
116.13 124D.52, subdivisions 8 and 9, or complete
116.14 a GED;
116.15 (6) develop time management and study
116.16 skills;
116.17 (7) develop critical academic and
116.18 career-related skills needed to enroll in a
116.19 postsecondary program without need for
116.20 remediation;
116.21 (8) navigate the registration process for a
116.22 postsecondary program;
116.23 (9) understand postsecondary program
116.24 requirements and instruction expectations;
116.25 and
116.26 (10) resolve personal issues related to mental
116.27 health, domestic abuse, chemical abuse,
116.28 homelessness, and other issues that, if left
116.29 unaddressed, are barriers to enrolling in and
116.30 completing a postsecondary program.

116.31 The commissioner must award ABE
116.32 navigating and advising support services
116.33 grants to eight ABE programs. The

117.1 commissioner shall award grants to programs
 117.2 based on program capacity, need, and
 117.3 geographic balance of programs around
 117.4 the state. The commissioner shall give
 117.5 priority to ABE programs already providing
 117.6 navigating and advising support services.
 117.7 The commissioner shall allocate the grant
 117.8 funding based on the number of ABE
 117.9 program participants the program served in
 117.10 the prior year.

117.11 (c) \$2,750,000 is for the Minnesota's
 117.12 future teachers grant program under
 117.13 Minnesota Statutes, section 136A.123.
 117.14 The commissioner of management and
 117.15 budget shall transfer this amount to the
 117.16 Office of Higher Education for the purposes
 117.17 of this appropriation. This is a onetime
 117.18 appropriation and is available until June 30,
 117.19 2019.

117.20 (d) \$2,750,000 is for the stepping up for kids
 117.21 financial assistance account under section
 117.22 33. The commissioner of management and
 117.23 budget shall transfer this amount to the
 117.24 Office of Higher Education for the purposes
 117.25 of this appropriation. This is a onetime
 117.26 appropriation and is available until June 30,
 117.27 2019.

117.28 **Subd. 8. Minnesota Management and Budget** -0- 3,615,000

117.29 \$3,615,000 is for administrative expenses
 117.30 related to grants appropriated in this article.
 117.31 The commissioner shall transfer funds in an
 117.32 amount to be determined by the commissioner
 117.33 to agencies administering competitive grant
 117.34 programs and serving as fiscal agents for
 117.35 grants appropriated in this article. The

118.1 transfer to each agency may not exceed four
 118.2 percent of the amount appropriated to that
 118.3 agency. This is a onetime appropriation and
 118.4 is available until June 30, 2019.

118.5 Subd. 9. Department of Human Services -0- 8,000

118.6 \$8,000 is for the MAXIS system. This is a
 118.7 onetime appropriation.

118.8 Sec. 3. Minnesota Statutes 2014, section 16C.10, subdivision 6, is amended to read:

118.9 Subd. 6. **Expenditures under specified amounts.** A competitive solicitation
 118.10 process described in this chapter is not required for the acquisition of goods, services,
 118.11 construction, and utilities in an amount of \$5,000 or less or as authorized by section
 118.12 16C.16, subdivisions 6, paragraph (b), 6a, paragraph (b), and 7, paragraph (b).

118.13 Sec. 4. Minnesota Statutes 2014, section 16C.16, subdivision 6, is amended to read:

118.14 Subd. 6. **Purchasing methods.** (a) The commissioner may award up to a six
 118.15 percent preference ~~in the amount bid~~ for specified goods or services to small targeted
 118.16 group businesses.

118.17 (b) The commissioner may award a contract for goods, services, or construction
 118.18 directly to a small business or small targeted group business without going through a
 118.19 competitive solicitation process up to a total contract award value, including extension
 118.20 options, of \$25,000.

118.21 ~~(b)~~ (c) The commissioner may designate a purchase of goods or services for
 118.22 award only to small businesses or small targeted group businesses if the commissioner
 118.23 determines that at least three small businesses or small targeted group businesses are likely
 118.24 to ~~bid~~ respond to a solicitation.

118.25 ~~(e)~~ (d) The commissioner, as a condition of awarding a construction contract or
 118.26 approving a contract for professional or technical services, may set goals that require
 118.27 the prime contractor to subcontract a portion of the contract to small businesses or
 118.28 small targeted group businesses. The commissioner must establish a procedure for
 118.29 granting waivers from the subcontracting requirement when qualified small businesses
 118.30 or small targeted group businesses are not reasonably available. The commissioner may
 118.31 establish financial incentives for prime contractors who exceed the goals for use of small
 118.32 business or small targeted group business subcontractors and financial penalties for prime
 118.33 contractors who fail to meet goals under this paragraph. The subcontracting requirements

119.1 of this paragraph do not apply to prime contractors who are small businesses or small
119.2 targeted group businesses.

119.3 Sec. 5. Minnesota Statutes 2015 Supplement, section 16C.16, subdivision 6a, is
119.4 amended to read:

119.5 Subd. 6a. **Veteran-owned small businesses.** (a) Except when mandated by the
119.6 federal government as a condition of receiving federal funds, the commissioner shall
119.7 award up to a six percent preference, but no less than the percentage awarded to any
119.8 other group under this section, ~~in the amount bid~~ on state procurement to certified small
119.9 businesses that are majority-owned and operated by veterans.

119.10 (b) The commissioner may award a contract for goods, services, or construction
119.11 directly to a veteran-owned small business without going through a competitive solicitation
119.12 process up to a total contract award value, including extension options, of \$25,000.

119.13 (c) The commissioner may designate a purchase of goods or services for award only
119.14 to a veteran-owned small business if the commissioner determines that at least three
119.15 veteran-owned small businesses are likely to respond to a solicitation.

119.16 (d) The commissioner, as a condition of awarding a construction contract or
119.17 approving a contract for professional or technical services, may set goals that require
119.18 the prime contractor to subcontract a portion of the contract to a veteran-owned small
119.19 business. The commissioner must establish a procedure for granting waivers from the
119.20 subcontracting requirement when qualified veteran-owned small businesses are not
119.21 reasonably available. The commissioner may establish financial incentives for prime
119.22 contractors who exceed the goals for use of veteran-owned small business subcontractors
119.23 and financial penalties for prime contractors who fail to meet goals under this paragraph.
119.24 The subcontracting requirements of this paragraph do not apply to prime contractors
119.25 who are veteran-owned small businesses.

119.26 ~~(b)~~ (e) The purpose of this designation is to facilitate the transition of veterans from
119.27 military to civilian life, and to help compensate veterans for their sacrifices, including but
119.28 not limited to their sacrifice of health and time, to the state and nation during their military
119.29 service, as well as to enhance economic development within Minnesota.

119.30 ~~(e)~~ (f) Before the commissioner certifies that a small business is majority-owned and
119.31 operated by a veteran, the commissioner of veterans affairs must verify that the owner of
119.32 the small business is a veteran, as defined in section 197.447.

119.33 Sec. 6. Minnesota Statutes 2014, section 16C.16, subdivision 7, is amended to read:

120.1 Subd. 7. **Economically disadvantaged areas.** (a) ~~Except as otherwise provided in~~
120.2 ~~paragraph (b),~~ The commissioner may award up to a six percent preference in the amount
120.3 bid on state procurement to small businesses located in an economically disadvantaged area.

120.4 ~~(b) The commissioner may award up to a four percent preference in the amount bid~~
120.5 ~~on state construction to small businesses located in an economically disadvantaged area.~~

120.6 (b) The commissioner may award a contract for goods, services, or construction
120.7 directly to a small business located in an economically disadvantaged area without going
120.8 through a competitive solicitation process up to a total contract award value, including
120.9 extension options, of \$25,000.

120.10 (c) The commissioner may designate a purchase of goods or services for award only
120.11 to a small business located in an economically disadvantaged area if the commissioner
120.12 determines that at least three small businesses located in an economically disadvantaged
120.13 area are likely to respond to a solicitation.

120.14 (d) The commissioner, as a condition of awarding a construction contract or
120.15 approving a contract for professional or technical services, may set goals that require the
120.16 prime contractor to subcontract a portion of the contract to a small business located in
120.17 an economically disadvantaged area. The commissioner must establish a procedure for
120.18 granting waivers from the subcontracting requirement when qualified small businesses
120.19 located in an economically disadvantaged area are not reasonably available. The
120.20 commissioner may establish financial incentives for prime contractors who exceed the
120.21 goals for use of subcontractors that are small businesses located in an economically
120.22 disadvantaged area and financial penalties for prime contractors who fail to meet goals
120.23 under this paragraph. The subcontracting requirements of this paragraph do not apply to
120.24 prime contractors who are small businesses located in an economically disadvantaged area.

120.25 ~~(e)~~ (e) A business is located in an economically disadvantaged area if:

120.26 (1) the owner resides in or the business is located in a county in which the median
120.27 income for married couples is less than 70 percent of the state median income for married
120.28 couples;

120.29 (2) the owner resides in or the business is located in an area designated a labor
120.30 surplus area by the United States Department of Labor; or

120.31 (3) the business is a certified rehabilitation facility or extended employment provider
120.32 as described in chapter 268A.

120.33 ~~(d)~~ (f) The commissioner may designate one or more areas designated as targeted
120.34 neighborhoods under section 469.202 or as border city enterprise zones under section
120.35 469.166 as economically disadvantaged areas for purposes of this subdivision if the
120.36 commissioner determines that this designation would further the purposes of this section.

121.1 If the owner of a small business resides or is employed in a designated area, the small
121.2 business is eligible for any preference provided under this subdivision.

121.3 ~~(e)~~ (g) The Department of Revenue shall gather data necessary to make the
121.4 determinations required by paragraph ~~(e)~~ (e), clause (1), and shall annually certify counties
121.5 that qualify under paragraph ~~(e)~~ (e), clause (1). An area designated a labor surplus area
121.6 retains that status for 120 days after certified small businesses in the area are notified of
121.7 the termination of the designation by the United States Department of Labor.

121.8 Sec. 7. Minnesota Statutes 2014, section 16C.16, is amended by adding a subdivision
121.9 to read:

121.10 Subd. 7a. **Designated purchases and subcontractor goals.** (a) When designating
121.11 purchases directly to a business in accordance with this section, the commissioner may
121.12 also designate a purchase of goods or services directly to any combination of small
121.13 businesses, small targeted group businesses, veteran-owned small businesses or small
121.14 businesses located in an economically disadvantaged area if the commissioner determines
121.15 that at least three businesses in two or more of the disadvantaged business categories
121.16 are likely to respond.

121.17 (b) When establishing subcontractor goals under this section, the commissioner may
121.18 set goals that require the prime contractor to subcontract a portion of the contract to any
121.19 combination of a small business, small targeted group business, veteran-owned small
121.20 business, or small business located in an economically disadvantaged area.

121.21 Sec. 8. Minnesota Statutes 2014, section 16C.16, subdivision 11, is amended to read:

121.22 Subd. 11. **Procurement procedures.** All laws and rules pertaining to solicitations,
121.23 bid evaluations, contract awards, and other procurement matters apply equally to
121.24 procurements ~~designated for small businesses or small targeted group businesses~~ involving
121.25 any small business, small targeted group business, veteran-owned business, or small
121.26 business located in an economically disadvantaged area. ~~In the event of conflict with other~~
121.27 rules, section 16C.15 and rules adopted under it govern, if section 16C.15 applies. If it
121.28 does not apply, sections 16C.16 to 16C.21 and rules adopted under those sections govern.

121.29 Sec. 9. [17.1017] **GOOD FOOD ACCESS PROGRAM.**

121.30 Subdivision 1. **Definitions.** (a) For purposes of this section, unless the language
121.31 or context indicates that a different meaning is intended, the following terms have the
121.32 meanings given them.

121.33 (b) "Account" means the good food access account established in subdivision 3.

122.1 (c) "Commissioner" means the commissioner of agriculture.

122.2 (d) "Economic or community development financial institution (ECDFI)" means
122.3 a lender, including but not limited to a community development financial institution
122.4 (CDFI), an economic development district (EDD), a political subdivision of the state, a
122.5 microenterprise firm, or a nonprofit community lending organization that has previous
122.6 experience lending to a food retailer, producer, or another healthy food enterprise in an
122.7 underserved community in a low-income or moderate-income area, as defined in this
122.8 section; has been in existence and operating prior to January 1, 2014; has demonstrated
122.9 the ability to raise matching capital and in-kind services to leverage appropriated money;
122.10 has the demonstrated ability to underwrite loans and grants; and has partnered previously
122.11 with nonprofit healthy food access, public health, or related governmental departments or
122.12 community organizations.

122.13 (e) "Farmers' market" means an association of three or more persons who assemble
122.14 at a defined location that is open to the public for the purpose of selling directly to the
122.15 consumer the products of a farm or garden occupied and cultivated by the person selling
122.16 the product.

122.17 (f) "Financing" means loans, including low-interest loans, zero-interest loans,
122.18 forgivable loans, and other types of financial assistance other than grants.

122.19 (g) "Food hub" means a centrally located facility with a business management
122.20 structure that facilitates the aggregation, storage, processing, distribution, marketing, and
122.21 sale of locally or regionally produced food products, and which may include a small-scale
122.22 retail grocery operation.

122.23 (h) "Good Food Access Program Advisory Committee" means the Good Food
122.24 Access Program Advisory Committee under section 17.1018.

122.25 (i) "Grocery store" means a for-profit, not-for-profit, or cooperative self-service retail
122.26 establishment that sells primarily meat, fish, seafood, fruits, vegetables, dry groceries,
122.27 and dairy products and may also sell household products, sundries, and other products.
122.28 Grocery store includes a supermarket or a large-, mid-, or small-scale retail grocery
122.29 establishment and may include a mobile food market or a delivery service operation.

122.30 (j) "Low-income area" means a census tract as reported in the most recently
122.31 completed decennial census published by the United States Bureau of the Census that has
122.32 a poverty rate of at least 20 percent or in which the median family income does not exceed
122.33 80 percent of the greater of the statewide or metropolitan median family income.

122.34 (k) "Moderate-income area" means a census tract as reported in the most recently
122.35 completed decennial census published by the United States Bureau of the Census in which

123.1 the median family income is between 81 percent and 95 percent of the median family
123.2 income for that area.

123.3 (l) "Mobile food market" means a self-contained for-profit, not-for-profit, or
123.4 cooperative retail grocery operation located in a movable new or renovated truck, bus, or
123.5 other vehicle that is used to store, prepare, display, and sell primarily meat, fish, seafood,
123.6 fruits, vegetables, dry groceries, and dairy products and may also be used to sell a nominal
123.7 supply of cooking utensils and equipment and other household products and sundries.

123.8 (m) "Program" means the good food access program established in this section.

123.9 (n) "Small food retailer" means a small-scale retail food outlet, other than a grocery
123.10 store as defined in this section. Small food retailer includes, but is not limited to, a corner
123.11 store, convenience store, farmers' market, mobile food market, and a retail food outlet
123.12 operated by an emergency food program or food hub.

123.13 (o) "Technical assistance" means needs-based project assistance provided through
123.14 the program, including sustainability-focused individualized guidance, presentations,
123.15 workshops, trainings, printed materials, mentorship opportunities, peer-to-peer
123.16 opportunities, or other guidance and resources on relevant topics such as business
123.17 planning, sales projections, cash flow, succession planning, financing, fund-raising,
123.18 marketing, food preparation demonstrations, and workforce training.

123.19 (p) "Underserved community" means a census tract that is federally designated
123.20 as a food desert by the United States Department of Agriculture, or a census tract in a
123.21 low-income or moderate-income area that includes a substantial subpopulation such as
123.22 the elderly or the disabled that has low supermarket access, regardless of distance, due
123.23 to lack of transportation.

123.24 Subd. 2. **Program established.** (a) A good food access program is established within
123.25 the Department of Agriculture to increase the availability of and access to affordable,
123.26 nutritious, and culturally appropriate food, including fresh fruits and vegetables, for
123.27 underserved communities in low-income and moderate-income areas by providing financial
123.28 support and sustainable public-private projects to open, renovate, or expand the operations
123.29 of grocery stores and small food retailers; expanding access to credit and reducing barriers
123.30 to investment in underserved communities in low- and moderate-income areas; and to
123.31 provide technical assistance, primarily for small food retailers with demonstrated need,
123.32 to increase availability and sustainable sales of affordable, nutritious, and culturally
123.33 appropriate food, including fresh fruits and vegetables, to underserved communities in
123.34 low-income and moderate-income areas. The commissioner, in cooperation with public
123.35 and private partners, shall establish and implement the program as provided in this section.

124.1 (b) The good food access program shall be comprised of state or private grants, loans,
124.2 or other types of financial and technical assistance for the establishment, construction,
124.3 expansion of operations, or renovation of grocery stores and small food retailers to increase
124.4 the availability of and access to affordable fresh produce and other nutritious, culturally
124.5 appropriate food to underserved communities in low-income and moderate-income areas.

124.6 Subd. 3. **Good food access account.** A good food access account is established in
124.7 the agricultural fund. The account consists of money appropriated by the legislature to the
124.8 commissioner, as provided by law, and any other money donated, allotted, transferred,
124.9 or otherwise provided to the account. Money in the account may only be expended on
124.10 projects receiving financing, grants, or other financial and technical assistance as provided
124.11 under this section, and shall be used, to the extent practicable, to leverage other forms of
124.12 public and private financing or financial assistance for the projects.

124.13 Subd. 4. **Program administration.** (a) The commissioner shall be the administrator
124.14 of the account for auditing purposes and shall establish program requirements and a
124.15 competitive process for projects applying for financial and technical assistance.

124.16 (b) The commissioner may receive money or other assets from any source, including
124.17 but not limited to philanthropic foundations and financial investors, for deposit into the
124.18 account, and shall direct the investment of the account and credit to the account interest
124.19 and earnings from account investments.

124.20 (c) Through issuance of requests for proposals, the commissioner may contract
124.21 with one or more qualified economic or community development financial institutions
124.22 to manage the financing component of the program and with one or more qualified
124.23 organizations or public agencies with financial or other program-related expertise to
124.24 manage the provision of technical assistance to project grantees.

124.25 (d) Money in the account at the close of each fiscal year shall remain in the account
124.26 and shall not cancel. In each biennium, the commissioner shall determine the appropriate
124.27 proportion of money to be allocated to loans, grants, technical assistance, and any other
124.28 types of financial assistance.

124.29 (e) To encourage public-private, cross-sector collaboration and investment in the
124.30 account and program and to ensure that the program intent is maintained throughout
124.31 implementation, the commissioner shall convene and maintain the Good Food Access
124.32 Program Advisory Committee.

124.33 (f) The commissioner, in cooperation with the Good Food Access Program Advisory
124.34 Committee, shall manage the program, establish program criteria, facilitate leveraging of
124.35 additional public and private investment, and promote the program statewide.

125.1 (g) The commissioner, in cooperation with the Good Food Access Program Advisory
125.2 Committee, shall establish annual monitoring and accountability mechanisms for all
125.3 projects receiving financing or other financial or technical assistance through this program.

125.4 Subd. 5. **Eligible projects.** (a) The commissioner, in cooperation with the program
125.5 partners and advisors, shall establish project eligibility guidelines and application
125.6 processes to be used to review and select project applicants for financing or other financial
125.7 or technical assistance. All projects must be located in an underserved community or must
125.8 serve primarily underserved communities in low-income and moderate-income areas.

125.9 (b) Projects eligible for financing include, but are not limited to, new construction,
125.10 renovations, expansions of operations, and infrastructure upgrades of grocery stores and
125.11 small food retailers to improve the availability of and access to affordable, nutritious food,
125.12 including fresh fruits and vegetables, and build capacity in areas of greatest need.

125.13 (c) Projects eligible for other types of financial assistance such as grants or
125.14 technical assistance are primarily projects throughout the state, including, but not limited
125.15 to, feasibility studies, new construction, renovations, expansion of operations, and
125.16 infrastructure upgrades of small food retailers.

125.17 Subd. 6. **Qualifications for receipt of financing and other financial or technical**
125.18 **assistance.** (a) An applicant for receipt of financing through an economic or community
125.19 development financial institution, or an applicant for a grant or other financial or technical
125.20 assistance, may be a for-profit or not-for-profit entity, including, but not limited to, a sole
125.21 proprietorship, limited liability company, corporation, cooperative, nonprofit organization,
125.22 or nonprofit community development organization. Each applicant must:

125.23 (1) demonstrate community engagement in and support for the project;

125.24 (2) demonstrate the capacity to successfully implement the project;

125.25 (3) demonstrate a viable plan for long-term sustainability, including the ability to
125.26 increase the availability of and access to affordable, nutritious, and culturally appropriate
125.27 food, including fresh fruits and vegetables, for underserved communities in low-income
125.28 and moderate-income areas; and

125.29 (4) demonstrate the ability to repay the debt, to the extent that the financing requires
125.30 repayment.

125.31 (b) Each applicant must also agree to comply with the following conditions for a
125.32 period of at least five years, except as otherwise specified in this section:

125.33 (1) accept Supplemental Nutrition Assistance Program (SNAP) benefits;

125.34 (2) apply to accept Special Supplemental Nutrition Program for Women, Infants,
125.35 and Children (WIC) benefits and, if approved, accept WIC benefits;

126.1 (3) allocate at least 30 percent of retail space for the sale of affordable, nutritious,
126.2 and culturally appropriate foods, including fruits and vegetables, low-fat and nonfat
126.3 dairy, fortified dairy substitute beverages such as soy-based or nut-based dairy substitute
126.4 beverages, whole grain-rich staple foods, meats, poultry, fish, seafood, and other proteins,
126.5 consistent with nutrition standards in national guidelines described in the current United
126.6 States Department of Agriculture Dietary Guidelines for Americans;

126.7 (4) comply with all data collection and reporting requirements established by the
126.8 commissioner; and

126.9 (5) promote the hiring, training, and retention of local or regional residents from
126.10 low-income and moderate-income areas that reflect area demographics, including
126.11 communities of color.

126.12 (c) A selected project that is a small food retailer is not subject to the allocation
126.13 agreement under paragraph (b), clause (3), and may use financing, grants, or other financial
126.14 or technical assistance for refrigeration, displays, or onetime capital expenditures for the
126.15 promotion and sale of perishable foods, including a combination of affordable, nutritious,
126.16 and culturally appropriate fresh or frozen dairy, dairy substitute products, produce, meats,
126.17 poultry, and fish, consistent with nutrition standards in national guidelines described in the
126.18 current United States Department of Agriculture Dietary Guidelines for Americans.

126.19 Subd. 7. **Additional selection criteria.** In determining which qualified projects to
126.20 finance, and in determining which qualified projects to provide with grants or other types
126.21 of financial or technical assistance, the commissioner, in cooperation with any entities
126.22 with which the commissioner contracts for those purposes and the Good Food Access
126.23 Program Advisory Committee, shall also consider:

126.24 (1) the level of need in the area to be served;

126.25 (2) the degree to which the project requires an investment of public support, or
126.26 technical assistance where applicable, to move forward, build capacity, create community
126.27 impact, or be competitive;

126.28 (3) the likelihood that the project will have positive economic and health impacts on
126.29 the underserved community, including creation and retention of jobs for local or regional
126.30 residents from low-income and moderate-income areas that reflect area demographics,
126.31 including communities of color;

126.32 (4) the degree to which the project will participate in state and local health department
126.33 initiatives to educate consumers on nutrition, promote healthy eating and healthy weight,
126.34 and support locally grown food products through programs such as Minnesota Grown; and

126.35 (5) any other criteria that the commissioner, in cooperation with public and private
126.36 partners, determines to be consistent with the purposes of this chapter.

127.1 Subd. 8. **Eligible costs.** Financing for project loans, including low-interest,
127.2 zero-interest, and forgivable loans, grants, and other financial or technical assistance, may
127.3 be used to support one or more of the following purposes:

127.4 (1) site acquisition and preparation;

127.5 (2) predevelopment costs, including but not limited to feasibility studies, market
127.6 studies, and appraisals;

127.7 (3) construction and build-out costs;

127.8 (4) equipment and furnishings;

127.9 (5) workforce or retailer training; and

127.10 (6) working capital.

127.11 Subd. 9. **Legislative report.** The commissioner, in cooperation with any economic
127.12 or community development financial institution and any other entity with which it
127.13 contracts, shall submit an annual report on the good food access program by January 15 of
127.14 each year to the chairs and ranking minority members of the house of representatives and
127.15 senate committees and divisions with jurisdiction over agriculture policy and finance. The
127.16 annual report shall include, but not be limited to, a summary of the following metrics:

127.17 (1) the number and types of projects financed;

127.18 (2) the amount of dollars leveraged or matched per project;

127.19 (3) the geographic distribution of financed projects;

127.20 (4) the number and types of technical assistance recipients;

127.21 (5) any market or commodity expansion associated with increased access;

127.22 (6) the demographics of the areas served;

127.23 (7) the costs of the program;

127.24 (8) the number of SNAP and WIC dollars spent;

127.25 (9) any increase in retail square footage;

127.26 (10) the number of loans or grants to minority-owned or female-owned businesses;

127.27 and

127.28 (11) measurable economic and health outcomes, including, but not limited to,
127.29 increases in sales and consumption of locally sourced and other fresh fruits and vegetables,
127.30 the number of construction and retail jobs retained or created, and any health initiatives
127.31 associated with the program.

127.32 **Sec. 10. [17.1018] GOOD FOOD ACCESS PROGRAM ADVISORY**
127.33 **COMMITTEE.**

127.34 Subdivision 1. **Definitions.** As used in this section, the following terms have the
127.35 meanings given them:

128.1 (1) "program" means the good food access program under section 17.1017; and

128.2 (2) "commissioner" means the commissioner of agriculture.

128.3 Subd. 2. **Creation.** The Good Food Access Program Advisory Committee consists
128.4 of the following members, appointed by the commissioner of agriculture, unless otherwise
128.5 specified:

128.6 (1) the commissioners of health, employment and economic development, and
128.7 human services, or their respective designees;

128.8 (2) one person representing the grocery industry;

128.9 (3) two people representing economic or community development, one rural
128.10 member and one urban or suburban member;

128.11 (4) two people representing political subdivisions of the state;

128.12 (5) one person designated by the Council for Minnesotans of African Heritage;

128.13 (6) one person designated by the Minnesota Indian Affairs Council;

128.14 (7) one person designated by the Council on Asian Pacific Minnesotans;

128.15 (8) one person designated by the Chicano Latino Affairs Council;

128.16 (9) one person designated by the Minnesota Farmers Union;

128.17 (10) one person representing public health experts;

128.18 (11) one person representing philanthropic foundations;

128.19 (12) one person representing economic or community development financial
128.20 institutions;

128.21 (13) one person representing the University of Minnesota Regional Sustainable
128.22 Development Partnerships;

128.23 (14) two people representing organizations engaged in addressing food security,
128.24 one representative from a statewide hunger relief organization and one from a
128.25 community-based organization;

128.26 (15) one person representing immigrant farmer-led organizations;

128.27 (16) one person representing small business technical assistance with experience
128.28 in food retail; and

128.29 (17) up to four additional members with economic development, health equity,
128.30 financial, or other relevant expertise.

128.31 At least half of the members must reside in or their organizations must serve rural
128.32 Minnesota. The commissioner may remove members and fill vacancies as provided in
128.33 section 15.059, subdivision 4.

128.34 Subd. 3. **Duties.** The advisory committee must advise the commissioner of
128.35 agriculture on managing the program, establishing program criteria, establishing project
128.36 eligibility guidelines, establishing application processes and additional selection criteria,

129.1 establishing annual monitoring and accountability mechanisms, facilitating leveraging of
129.2 additional public and private investments, and promoting the program statewide.

129.3 Subd. 4. **Meetings.** The commissioner must convene the advisory committee at
129.4 least two times per year to achieve the committee's duties.

129.5 Subd. 5. **Administrative support.** The commissioner of agriculture must provide
129.6 staffing, meeting space, and administrative services for the advisory committee.

129.7 Subd. 6. **Chair.** The commissioner of agriculture or the commissioner's designee
129.8 shall serve as chair of the committee.

129.9 Subd. 7. **Compensation.** The public members of the advisory committee serve
129.10 without compensation or payment of expenses.

129.11 Subd. 8. **Expiration.** The advisory committee does not expire.

129.12 Sec. 11. **[116J.55] EMERGING ENTREPRENEUR FUND PROGRAM.**

129.13 Subdivision 1. **Program created.** The emerging entrepreneur fund program is
129.14 created to provide, through partnership with nonprofit corporations, financial and technical
129.15 assistance for small businesses owned by minorities, women, veterans, or persons with
129.16 disabilities, or businesses located in low-income areas in the seven-county metropolitan
129.17 area. Loans and business development services must promote job creation and economic
129.18 development in low-income areas and encourage private investment and strengthen
129.19 businesses owned by minorities, women, veterans, and persons with disabilities.

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

129.21 (b) "Commissioner" means the commissioner of employment and economic
129.22 development.

129.23 (c) "Department" means the Department of Employment and Economic
129.24 Development.

129.25 (d) "Disability-owned business" means a small business that is majority owned and
129.26 operated by a person with a disability who is eligible to receive Supplemental Security
129.27 Income (SSI) or Social Security Disability Insurance (SSDI) based on the person's own
129.28 disability or is eligible for services from the department's vocational rehabilitation services
129.29 or State Services for the Blind programs.

129.30 (e) "Emerging Entrepreneur Fund Advisory Council" or "council" means the
129.31 advisory council created under subdivision 9.

129.32 (f) "Emerging entrepreneur fund program" or "program" means the program
129.33 established under this section.

130.1 (g) "Emerging entrepreneur fund qualified small business" means a small business
130.2 that is majority owned and operated by a racial or ethnic minority, woman, veteran, or a
130.3 person with a disability, solely or in any combination thereof.

130.4 (h) "Greater Minnesota" means the area of the state that excludes the metropolitan
130.5 area, as defined in section 473.121, subdivision 2.

130.6 (i) "Low-income area" means:

130.7 (1) those cities in the metropolitan area that have an average income that is below
130.8 80 percent of the median income for a four-person family as of the latest report by the
130.9 United States Census Bureau; or

130.10 (2) those cities in the metropolitan area that contain two or more contiguous census
130.11 tracts in which the average family income is less than 80 percent of the median family
130.12 income for the Twin Cities metropolitan area.

130.13 (j) "Metropolitan area" has the meaning given in section 473.121, subdivision 2.

130.14 (k) "Minority-owned business" means a small business that is majority owned and
130.15 operated by persons belonging to a racial or ethnic minority as defined in Minnesota
130.16 Rules, part 1230.0150, subpart 24.

130.17 (l) "Nonprofit corporation" means a nonprofit lender or a nonprofit technical
130.18 assistance provider operating in the state.

130.19 (m) "Nonprofit lender" means a nonprofit corporation that has been certified as a
130.20 participating lender under subdivision 3.

130.21 (n) "Nonprofit technical assistance provider" means a nonprofit corporation that
130.22 provides consulting services to assist businesses under the program.

130.23 (o) "Small business" means an enterprise as defined in section 645.445, subdivision 2.

130.24 (p) "Veteran-owned business" means a small business that is majority owned and
130.25 operated by a veteran as defined in section 197.447.

130.26 (q) "Woman-owned business" means a small business that is majority owned and
130.27 operated by a woman.

130.28 Subd. 3. **Nonprofit lender application.** (a) The commissioner shall provide funds
130.29 to nonprofit lenders for the purpose of making loans to businesses that are (1) located in a
130.30 low-income area or (2) emerging entrepreneur fund qualified small businesses.

130.31 (b) A nonprofit corporation wishing to be certified as a nonprofit lender in the program
130.32 must apply using the form prescribed by the commissioner. The application must include:

130.33 (1) an assurance signed by the nonprofit lender's chair that the applicant will comply
130.34 with all applicable state and federal laws, guidelines, and requirements;

131.1 (2) a resolution passed by the nonprofit lender's board of directors approving the
131.2 submission of an application and authorizing execution of the grant agreement if funds
131.3 are made available;

131.4 (3) a plan demonstrating the nonprofit lender's approach to assisting small businesses
131.5 that are majority owned and operated by a racial or ethnic minority, woman, veteran, or a
131.6 person with disabilities and the expected outcomes from the corporation's participation
131.7 in the program;

131.8 (4) the geographic area served by the nonprofit lender's loan programs; and

131.9 (5) any additional information that the commissioner deems necessary to clarify the
131.10 applicant's ability to achieve the program's objectives.

131.11 (c) The commissioner must enter into agreements with nonprofit lenders to fund
131.12 loans under this section. The commissioner shall select and certify participating nonprofit
131.13 lenders based on the organization's ability to demonstrate:

131.14 (1) a board of directors or management team that includes citizens experienced in
131.15 business development; financing small businesses that are majority owned and operated
131.16 by a racial or ethnic minority, woman, veteran, or a person with disabilities; financing
131.17 businesses located in low-income areas; and creating jobs in low-income areas;

131.18 (2) the technical skills needed to analyze projects;

131.19 (3) familiarity with other available public and private funding sources and economic
131.20 development programs;

131.21 (4) ability to initiate and implement business finance projects;

131.22 (5) capacity to establish and administer a revolving loan account;

131.23 (6) experience working with job referral networks that assist small businesses that
131.24 are majority owned and operated by a racial or ethnic minority, woman, veteran, or a
131.25 person with disabilities or persons in low-income areas; and

131.26 (7) any other criteria the commissioner deems necessary.

131.27 (d) The commissioner shall solicit applications by participating and nonparticipating
131.28 lenders at least every five years.

131.29 Subd. 4. **Business loan criteria.** (a) A participating nonprofit corporation must use
131.30 the criteria in this subdivision when making loans under the program.

131.31 (b) Loans must be made to small businesses that are not likely to undertake a project
131.32 for which loans are sought without assistance from the program.

131.33 (c) A loan may be used for a project for an emerging entrepreneur fund qualified
131.34 small business (1) located anywhere in Minnesota or (2) that is not an emerging
131.35 entrepreneur fund qualified small business but is located in a low-income area.

132.1 (d) If a loan involves a small business that is not an emerging entrepreneur fund
132.2 qualified small business, the state contribution must be matched by at least an equal
132.3 amount of new private investment funded and provided by the nonprofit lender. If the loan
132.4 does not exceed \$50,000, private matching funds are not required.

132.5 (e) The state contribution may represent up to 75 percent of the project's financing if
132.6 the applicant is an emerging entrepreneur fund qualified small business with the nonprofit
132.7 lender funding and providing 25 percent of the financing.

132.8 (f) The minimum state contribution to a loan is \$2,000, and the maximum is \$150,000.

132.9 (g) A loan may not be used for a retail development project unless the loan does
132.10 not exceed \$25,000.

132.11 (h) The participating small business must agree to work with job referral networks
132.12 that focus on minority, women, veteran, and disabled applicants.

132.13 (i) The loan funds may be used for normal operating business expenses including
132.14 but not limited to business or site acquisition, new construction, renovation, machinery
132.15 and equipment, inventory, or working capital.

132.16 (j) The loan funds may not be used for any of the following:

132.17 (1) costs incurred by applicants not meeting the eligibility requirements in this
132.18 subdivision;

132.19 (2) lending, passive real estate investment purposes, or land speculation;

132.20 (3) management fees, financing costs, debt consolidation, or refinancing existing
132.21 business or personal debt;

132.22 (4) any activity deemed illegal by federal, state, or local law or ordinance; and

132.23 (5) other purposes or activities determined by the commissioner to not be in the
132.24 best interests of the state.

132.25 (k) An applicant must be in compliance with all applicable local, state, and federal
132.26 laws and must not be subject to any judgments, liens, or other actions that would prevent
132.27 loan repayment.

132.28 (l) Other factors that the commissioner deems important shall be incorporated as
132.29 part of the agreement between the department and the nonprofit lender required under
132.30 subdivision 3.

132.31 Subd. 5. **Loan administration.** (a) An eligible small business may make an
132.32 application to the nonprofit corporation for an emerging entrepreneur fund loan. The
132.33 application must be in the form approved by the nonprofit lender and the commissioner.

132.34 (b) The nonprofit corporation must review the application and may give preliminary
132.35 approval for the loan based on criteria in subdivision 4. Loan applications given
132.36 preliminary approval by the nonprofit lender must be forwarded to the commissioner

133.1 for approval. The commissioner shall disburse funds for each approved emerging
133.2 entrepreneur fund loan made by the nonprofit corporation for which funding is available.

133.3 (c) In cases where the nonprofit lender fails to demonstrate that it has met the
133.4 requirements of this section, the commissioner must disapprove the application. The
133.5 commissioner shall inform the nonprofit corporation of the decision, in writing, stating
133.6 the reasons for the denial.

133.7 (d) The nonprofit lender must use a loan agreement for each emerging entrepreneur
133.8 fund loan. Each agreement must identify specific loan terms and include, at a minimum, the
133.9 maximum loan period, repayment terms, and default terms. The commissioner may pursue
133.10 any course of action authorized by statute, rule, or loan agreement to remedy default.

133.11 (1) Nonprofit lenders may structure project financing using interest or an equivalent
133.12 approach using other allowable charges if the borrower has limitations or restrictions on
133.13 the type of project financing used.

133.14 (2) If interest is charged, the rate on a loan shall be established by the nonprofit
133.15 lender, but may be no less than two percent per annum nor more than seven percent per
133.16 annum or four percent above the prime rate, as published in the Wall Street Journal at the
133.17 time the loan is closed, whichever is greater.

133.18 (3) The nonprofit lender may charge a loan origination fee equal to or less than
133.19 one percent of the loan value. The nonprofit corporation may retain the amount of the
133.20 origination fee.

133.21 (4) The nonprofit lender may only charge the participating small business
133.22 out-of-pocket administrative expenses connected with originating the loan at the time
133.23 of closing.

133.24 (5) For emerging entrepreneur fund loans made by the nonprofit lender, the principal
133.25 payments shall be submitted to the commissioner. These funds must be deposited in the
133.26 emerging entrepreneur fund account in the special revenue fund as defined in subdivision 6.

133.27 (6) The commissioner may allow the nonprofit lender to keep interest payments for
133.28 a loan in order to pay for the nonprofit lender's administrative expenses associated with
133.29 that loan.

133.30 (7) The nonprofit lender shall attempt to have applicants provide security for the loan
133.31 equal to the loan value. Security may be a lien on real property owned by the applicant or
133.32 other security satisfactory to the agency such as a lien on other assets of the applicant or
133.33 other individuals affiliated with the applicant or business, or a guaranty by the business
133.34 owners or other individuals affiliated with the applicant or business.

133.35 Subd. 6. **Special revenue account.** (a) The emerging entrepreneur fund account
133.36 is established as a separate account in the special revenue fund in the state treasury.

134.1 The commissioner shall transfer to the account appropriations made for loans. Loan
134.2 principal repayments must be deposited in the account. Any interest not used for lenders
134.3 for administrative expenses and repaid to the commissioner or earned on money in the
134.4 account accrues to the account. Funds remaining in the account at the end of a fiscal
134.5 year are not canceled to the general fund, but remain in the account until expended. The
134.6 commissioner shall manage the account.

134.7 (b) Amounts in the emerging entrepreneur fund account in the special revenue fund
134.8 are appropriated to the commissioner for providing, through partnership with nonprofit
134.9 organizations, financial assistance for small businesses owned by minorities, women,
134.10 veterans, or persons with disabilities or located in low-income areas.

134.11 (c) The balance in any accounts authorized under chapter 116M shall be transferred
134.12 to the emerging entrepreneur fund account in the special revenue fund. Loan repayments
134.13 made under chapter 116M shall be transferred to the emerging entrepreneur fund account
134.14 in the special revenue fund.

134.15 Subd. 7. **Business development technical assistance.** (a) The commissioner shall
134.16 award grants to organizations to provide technical assistance services.

134.17 (b) The commissioner shall select participating nonprofit technical assistance
134.18 providers for competitive grants under this subdivision based on the organization's ability
134.19 to provide services to small businesses owned by minorities, women, veterans, or persons
134.20 with disabilities, or businesses located in low-income areas by demonstrating:

134.21 (1) a need for funding;

134.22 (2) clear and measurable activities and outcomes within a service delivery area
134.23 and schedule;

134.24 (3) partnerships that will support the service delivery;

134.25 (4) organizational capacity and related experience providing technical assistance;

134.26 (5) a clear and detailed budget;

134.27 (6) methods to evaluate the success of reaching proposed outcomes; and

134.28 (7) any additional information that the commissioner finds is necessary to clarify
134.29 the applicant's ability to achieve the program's objectives.

134.30 Subd. 8. **Reporting requirements.** (a) A nonprofit corporation that receives
134.31 funding from the emerging entrepreneur fund for loans or technical services must report to
134.32 the commissioner by March 1 of each year in a format prescribed by the commissioner.
134.33 The report shall include the information in this subdivision and any other information
134.34 deemed necessary by the commissioner.

134.35 (b) Nonprofit corporations that receive funding to provide lending shall submit a
134.36 report containing: a description of all projects supported by the program; an account of

135.1 any loans made during the calendar year; the project's assets and liabilities; an explanation
135.2 of administrative expenses; and the project's impact on small businesses owned by
135.3 minorities, women, veterans, or persons with disabilities.

135.4 (c) Nonprofit corporations that receive funding to provide lending shall provide
135.5 for an independent annual audit to be performed in accordance with generally accepted
135.6 accounting practices and auditing standards and submit a copy of each annual audit report
135.7 to the commissioner.

135.8 (d) Nonprofit corporations that receive a grant to provide business development
135.9 technical assistance shall provide an account of the number of businesses served during
135.10 the calendar year, the program's impact on small businesses owned by minorities, women,
135.11 veterans, or persons with disabilities, and an explanation of administrative expenses.

135.12 Subd. 9. **Emerging Entrepreneur Fund Advisory Council.** (a) The Emerging
135.13 Entrepreneur Fund Advisory Council is created and consists of the commissioner, the
135.14 chair of the Metropolitan Council, the commissioner of the Department of Human Rights,
135.15 and ten members from the general public appointed by the governor. Appointments must
135.16 ensure balanced geographic representation. At least half of the public members must have
135.17 experience working to address racial disparities.

135.18 (b) The membership terms, compensation, removal, and filling of vacancies of
135.19 public members of the council are as provided in section 15.0575.

135.20 (c) The commissioner shall serve as chair of the council. The council may elect other
135.21 officers as necessary from its members.

135.22 (d) The commissioner shall provide staff, consultant support, materials, and
135.23 administrative services necessary for the council's activities. The emerging entrepreneur
135.24 fund account in the special revenue fund may be used for council expenses.

135.25 (e) The governor must make initial appointments to the council by November 15,
135.26 2016, and the chair must convene the first meeting of the council by December 15, 2016.

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

135.28 Sec. 12. **[116L.562] YOUTH-AT-WORK GRANT PROGRAM.**

135.29 Subdivision 1. **Establishment.** The commissioner shall award grants to eligible
135.30 organizations for the purpose of providing workforce development and training
135.31 opportunities to economically disadvantaged or at-risk youth ages 14 to 24.

135.32 Subd. 2. **Definitions.** For purposes of this section:

135.33 (1) "eligible organization" or "eligible applicant" means a local government unit,
135.34 nonprofit organization, community action agency, or a public school district;

136.1 (2) "at-risk youth" means youth classified as at-risk under section 116L.56,
136.2 subdivision 2; and

136.3 (3) "economically disadvantaged" means youth who are economically disadvantaged
136.4 as defined in United States Code, title 29, section 1503.

136.5 Subd. 3. **Competitive grant awards.** (a) In awarding competitive grants, priority
136.6 shall be given to programs that:

136.7 (1) provide students with information about education and training requirements for
136.8 careers in high-growth, in-demand occupations;

136.9 (2) serve youth from communities of color who are under represented in the
136.10 workforce; or

136.11 (3) serve youth with disabilities.

136.12 (b) Eligible organizations must have demonstrated effectiveness in administering
136.13 youth workforce programs and must leverage nonstate or private sector funds.

136.14 (c) New eligible applicants must be youth-serving organizations with significant
136.15 capacity and demonstrable youth development experience and outcomes to operate a
136.16 youth workforce development project.

136.17 (d) If a program is not operated by a local unit of government or a workforce
136.18 development board, the grant recipient must coordinate the program with the local
136.19 workforce development board.

136.20 Subd. 4. **Reports.** Each grant recipient shall report to the commissioner in a format
136.21 to be determined by commissioner.

136.22 Sec. 13. Minnesota Statutes 2014, section 116L.99, is amended to read:

136.23 **116L.99 WOMEN AND HIGH-WAGE, HIGH-DEMAND,**
136.24 **NONTRADITIONAL JOBS GRANT PROGRAM.**

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

136.27 (b) "Commissioner" means the commissioner of employment and economic
136.28 development.

136.29 (c) "Eligible organization" includes, but is not limited to:

136.30 (1) community-based organizations experienced in serving women;

136.31 (2) employers;

136.32 (3) business and trade associations;

136.33 (4) labor unions and employee organizations;

136.34 (5) registered apprenticeship programs;

136.35 (6) secondary and postsecondary education institutions located in Minnesota; and

137.1 (7) workforce and economic development agencies.

137.2 (d) "High-wage, high-demand" means occupations that represent at least 0.1 percent
137.3 of total employment in the base year, have an annual median salary which is higher than
137.4 the average for the current year, and are projected to have more total openings as a share
137.5 of employment than the average.

137.6 (e) "Low-income" means income less than 200 percent of the federal poverty
137.7 guideline adjusted for a family size of four.

137.8 (f) "Nontraditional occupations" means those occupations in which women make
137.9 up less than 25 percent of the workforce as defined under United States Code, title 20,
137.10 section 2302.

137.11 (g) "Registered apprenticeship program" means a program registered under United
137.12 States Code, title 29, section 50.

137.13 (h) "STEM" means science, technology, engineering, and math.

137.14 (i) "Women of color" means females age 18 and older who are American Indian,
137.15 Asian, Black, or Hispanic.

137.16 (j) "Girls of color" means females under age 18 who are American Indian, Asian,
137.17 Black, or Hispanic.

137.18 Subd. 2. **Grant program.** The commissioner shall establish the women and
137.19 high-wage, high-demand, nontraditional jobs grant program to increase the number of
137.20 women in high-wage, high-demand, nontraditional occupations. The commissioner shall
137.21 make grants to eligible organizations for programs that encourage and assist women to enter
137.22 high-wage, high-demand, nontraditional occupations including but not limited to those in
137.23 the skilled trades, ~~science, technology, engineering, and math (STEM)~~ STEM occupations.
137.24 The commissioner must give priority to programs that encourage and assist women of color
137.25 to enter high-wage, high-demand, nontraditional occupations and STEM occupations.

137.26 Subd. 3. **Use of funds.** (a) Grant funds awarded under this section may be used for:

137.27 (1) recruitment, preparation, placement, and retention of women, including women
137.28 of color, low-income women and women over 50 years old, in registered apprenticeships,
137.29 postsecondary education programs, on-the-job training, and permanent employment in
137.30 high-wage, high-demand, nontraditional occupations;

137.31 (2) secondary or postsecondary education or other training to prepare women
137.32 to succeed in high-wage, high-demand, nontraditional occupations. Activities under
137.33 this clause may be conducted by the grantee or in collaboration with another institution,
137.34 including but not limited to a public or private secondary or postsecondary school;

137.35 (3) innovative, hands-on, best practices that stimulate interest in high-wage,
137.36 high-demand, nontraditional occupations among girls, increase awareness among

138.1 girls about opportunities in high-wage, high-demand, nontraditional occupations, or
138.2 increase access to secondary programming leading to jobs in high-wage, high-demand,
138.3 nontraditional occupations. Best practices include but are not limited to mentoring,
138.4 internships, or apprenticeships for girls in high-wage, high-demand, nontraditional
138.5 occupations;

138.6 (4) training and other staff development for job seeker counselors and Minnesota
138.7 family investment program (MFIP) caseworkers on opportunities in high-wage,
138.8 high-demand, nontraditional occupations;

138.9 (5) incentives for employers and sponsors of registered apprenticeship programs
138.10 to retain women in high-wage, high-demand, nontraditional occupations for more than
138.11 one year;

138.12 (6) training and technical assistance for employers to create a safe and healthy
138.13 workplace environment designed to retain and advance women, including best practices
138.14 for addressing sexual harassment, and to overcome gender inequity among employers
138.15 and registered apprenticeship programs;

138.16 (7) public education and outreach activities to overcome stereotypes about women
138.17 in high-wage, high-demand, nontraditional occupations, including the development of
138.18 educational and marketing materials; ~~and~~

138.19 (8) services to support for women in high-wage, high-demand, nontraditional
138.20 occupations including but not limited to assistance with balancing work responsibilities;
138.21 skills training and education; family caregiving; financial assistance for child care,
138.22 transportation, and safe and stable housing; workplace issues resolution; and access to
138.23 advocacy assistance and services; and

138.24 (9) recruitment, participation, and support of girls of color in approved training
138.25 programs or a valid apprenticeship program subject to section 181A.07, subdivision 7.

138.26 (b) Grant applications must include detailed information about how the applicant
138.27 plans to:

138.28 (1) increase women's participation in high-wage, high-demand occupations in which
138.29 women are currently underrepresented in the workforce;

138.30 (2) comply with the requirements under subdivision 3; ~~and~~

138.31 (3) use grant funds in conjunction with funding from other public or private
138.32 sources; and

138.33 (4) collaborate with existing, successful programs for training, education,
138.34 recruitment, preparation, placement, and retention of women of color in high-wage,
138.35 high-demand, nontraditional occupations and STEM occupations.

139.1 (c) In awarding grants under this subdivision, the commissioner shall give priority
139.2 to eligible organizations:

139.3 (1) with demonstrated success in recruiting and preparing women, especially
139.4 low-income women, women of color, and women over 50 years old, for high-wage,
139.5 high-demand, nontraditional occupations; and

139.6 (2) that leverage additional public and private resources.

139.7 (d) At least 50 percent of total grant funds must be awarded to programs providing
139.8 services and activities targeted to low-income women and women of color.

139.9 (e) The commissioner of employment and economic development in conjunction
139.10 with the commissioner of labor and industry shall monitor the use of funds under this
139.11 section, collect and compile information on the activities of other state agencies and public
139.12 or private entities that have purposes similar to those under this section, and identify other
139.13 public and private funding available for these purposes.

139.14 (f) By January 15, 2019, and each January 15 thereafter, the commissioner must
139.15 submit a report to the chairs and ranking minority members of the committees of the
139.16 house of representatives and the senate having jurisdiction over workforce development
139.17 that details the use of grant funds. If data is available, the report must contain data that is
139.18 disaggregated by race, cultural groups, family income, age, geographical location, migrant
139.19 or foreign immigrant status, primary language, whether the participant is an English
139.20 learner under Minnesota Statutes, section 124D.59, disability, and status of homelessness.

139.21 Sec. 14. Minnesota Statutes 2014, section 116M.14, subdivision 2, is amended to read:

139.22 Subd. 2. **Board.** "Board" means the Urban Minnesota Initiative Board.

139.23 Sec. 15. Minnesota Statutes 2014, section 116M.14, is amended by adding a
139.24 subdivision to read:

139.25 Subd. 3a. **Department.** "Department" means the Department of Employment and
139.26 Economic Development.

139.27 Sec. 16. Minnesota Statutes 2014, section 116M.14, subdivision 4, is amended to read:

139.28 Subd. 4. **Low-income area.** "Low-income area" means:

139.29 (1) Minneapolis, St. Paul;

139.30 (2) ~~those cities in the metropolitan area as defined in section 473.121, subdivision~~

139.31 ~~2, that have an average income that is below 80 percent of the median income for a~~

139.32 ~~four-person family as of the latest report by the United States Census Bureau; and~~

140.1 (3) ~~(2)~~ those cities ~~in the metropolitan area, which contain two or more contiguous~~
140.2 census tracts in which the average family income is less than 80 percent of the median
140.3 family income for the Twin Cities metropolitan area as of the latest report by the United
140.4 States Census Bureau.

140.5 Sec. 17. Minnesota Statutes 2014, section 116M.14, is amended by adding a
140.6 subdivision to read:

140.7 Subd. 4a. **Low-income person.** "Low-income person" means a person who has an
140.8 annual income, adjusted for family size, of not more than 80 percent of the area median
140.9 family income for the Twin Cities metropolitan area as of the latest report by the United
140.10 States Census Bureau.

140.11 Sec. 18. Minnesota Statutes 2014, section 116M.14, is amended by adding a
140.12 subdivision to read:

140.13 Subd. 4b. **Metropolitan area.** "Metropolitan area" has the meaning given in section
140.14 473.121, subdivision 2.

140.15 Sec. 19. Minnesota Statutes 2014, section 116M.14, is amended by adding a
140.16 subdivision to read:

140.17 Subd. 6. **Minority person.** "Minority person" means a person belonging to a racial
140.18 or ethnic minority as defined in Code of Federal Regulations, title 49, section 23.5.

140.19 Sec. 20. Minnesota Statutes 2014, section 116M.14, is amended by adding a
140.20 subdivision to read:

140.21 Subd. 7. **Program.** "Program" means the Minnesota Initiative program created
140.22 by this chapter.

140.23 Sec. 21. Minnesota Statutes 2014, section 116M.15, subdivision 1, is amended to read:

140.24 Subdivision 1. ~~Creation; membership~~ **Membership.** The ~~Urban~~ Minnesota
140.25 Initiative Board is created and consists of the commissioner of employment and economic
140.26 development, the chair of the Metropolitan Council, the commissioner of human rights,
140.27 and ~~eight~~ 12 members from the general public appointed by the governor. ~~Six~~ Nine of the
140.28 public members must be representatives from minority business enterprises. No more than
140.29 ~~four~~ six of the public members may be of one gender. Appointments must ensure balanced
140.30 geographic representation. At least half of the public members must have experience

141.1 working to address racial income disparities. All public members must be experienced in
141.2 business or economic development.

141.3 Sec. 22. Minnesota Statutes 2014, section 116M.17, subdivision 2, is amended to read:

141.4 Subd. 2. **Technical assistance.** ~~The board through the department,~~ shall provide
141.5 technical assistance and ~~development information services to state agencies, regional~~
141.6 ~~agencies, special districts, local governments, and the public, with special emphasis on~~
141.7 minority communities informational outreach about the program to lenders, nonprofit
141.8 corporations, and low-income and minority communities throughout the state that support
141.9 the development of business enterprises and entrepreneurs.

141.10 Sec. 23. Minnesota Statutes 2014, section 116M.17, subdivision 4, is amended to read:

141.11 Subd. 4. **Reports.** The board shall submit an annual report to the legislature of an
141.12 accounting of loans made under section 116M.18, including information on loans to
141.13 ~~minority business enterprises made, the number of jobs created by the program, the impact~~
141.14 on low-income areas, and recommendations concerning minority business development
141.15 and jobs for persons in low-income areas.

141.16 Sec. 24. Minnesota Statutes 2014, section 116M.18, is amended to read:

141.17 **116M.18 URBAN CHALLENGE GRANTS MINNESOTA INITIATIVE**
141.18 **PROGRAM.**

141.19 Subdivision 1. **Establishment.** The Minnesota Initiative program is established to
141.20 award grants to nonprofit corporations to fund loans to businesses owned by minority or
141.21 low-income persons or women.

141.22 Subd. 1a. **Statewide loans.** To the extent there is sufficient eligible demand,
141.23 loans shall be made so that an approximately equal dollar amount of loans are made to
141.24 businesses in the metropolitan area as in the nonmetropolitan area. If funds remain after
141.25 the ninth month of the fiscal year, those funds shall revert to the general loan pool and may
141.26 be lent in any part of the state.

141.27 ~~Subdivision 1~~ Subd. 1b. ~~**Eligibility rules**~~ **Grants.** The board shall make urban
141.28 challenge grants for use in low-income areas to nonprofit corporations to fund loans to
141.29 businesses owned by minority or low-income persons or women, to encourage private
141.30 investment, to provide jobs for minority and low-income persons and others in low-income
141.31 areas, to create and strengthen minority business enterprises, and to promote economic
141.32 development in a low-income area. ~~The board shall adopt rules to establish criteria for~~
141.33 ~~determining loan eligibility.~~

142.1 Subd. 2. **Challenge Grant eligibility; nonprofit corporation.** (a) The board
142.2 may enter into agreements with nonprofit corporations to fund ~~and guarantee~~ loans the
142.3 nonprofit corporation makes ~~in low-income areas under subdivision 4. A corporation must~~
142.4 ~~demonstrate that~~ to businesses owned by minority or low-income persons or women. The
142.5 board shall evaluate applications from nonprofit corporations. In evaluating applications,
142.6 the board must consider, among other things, whether the nonprofit corporation:

142.7 (1) ~~its~~ has a board of directors that includes citizens experienced in business
142.8 and community development, minority business enterprises, addressing racial income
142.9 disparities, and creating jobs in low-income areas for low-income and minority persons;

142.10 (2) ~~it~~ has the technical skills to analyze projects;

142.11 (3) ~~it~~ is familiar with other available public and private funding sources and
142.12 economic development programs;

142.13 (4) ~~it~~ can initiate and implement economic development projects;

142.14 (5) ~~it~~ can establish and administer a revolving loan account or has operated a
142.15 revolving loan account; and

142.16 (6) ~~it~~ can work with job referral networks which assist minority and ~~other persons in~~
142.17 ~~low-income areas~~ low-income persons; and

142.18 (7) has established relationships with minority communities.

142.19 (b) The department shall review existing agreements with nonprofit corporations
142.20 every five years and may renew or terminate the agreement based on the review. In making
142.21 its review, the department shall consider, among other criteria, the criteria in paragraph (a).

142.22 Subd. 3. **Revolving loan fund.** (a) The board shall establish a revolving loan fund to
142.23 make grants to nonprofit corporations for the purpose of making loans ~~and loan guarantees~~
142.24 ~~to new and expanding businesses in a low-income area to promote~~ owned by minority
142.25 or low-income persons or women and to support minority business enterprises and job
142.26 creation for minority and ~~other persons in low-income areas~~ low-income persons.

142.27 (b) Nonprofit corporations that receive grants from the department under the
142.28 program must establish a commissioner-certified revolving loan fund for the purpose
142.29 of making eligible loans.

142.30 (c) Eligible business enterprises include, but are not limited to, technologically
142.31 innovative industries, value-added manufacturing, and information industries. Loan
142.32 applications given preliminary approval by the nonprofit corporation must be forwarded to
142.33 the board for approval. The commissioner must give final approval for each loan ~~or loan~~
142.34 guarantee made by the nonprofit corporation. The amount of the state funds contributed to
142.35 any loan ~~or loan guarantee~~ may not exceed 50 percent of each loan.

143.1 Subd. 4. **Business loan criteria.** (a) The criteria in this subdivision apply to loans
143.2 made ~~or guaranteed~~ by nonprofit corporations under the ~~urban challenge grant~~ program.

143.3 (b) Loans ~~or guarantees~~ must be made to businesses that are not likely to undertake
143.4 a project for which loans are sought without assistance from the ~~urban challenge grant~~
143.5 program.

143.6 (c) A loan ~~or guarantee~~ must be used for a project designed to benefit persons in
143.7 ~~low-income areas through the creation of job or business opportunities for them~~ to support
143.8 a business owned by a minority or a low-income person or woman. Priority must be
143.9 given for loans to the lowest income areas.

143.10 (d) The minimum state contribution to a loan ~~or guarantee~~ is \$5,000 and the
143.11 maximum is \$150,000.

143.12 (e) The state contribution must be matched by at least an equal amount of new
143.13 private investment.

143.14 (f) A loan may not be used for a retail development project.

143.15 (g) The business must agree to work with job referral networks that focus on
143.16 minority and low-income applicants ~~from low-income areas.~~

143.17 Subd. 4a. **Microenterprise loan.** ~~Urban challenge Program~~ grants may be
143.18 used to make microenterprise loans to small, beginning businesses, including a sole
143.19 proprietorship. Microenterprise loans are subject to this section except that:

143.20 (1) they may also be made to qualified retail businesses;

143.21 (2) they may be made for a minimum of ~~\$1,000~~ \$5,000 and a maximum of ~~\$25,000~~
143.22 \$35,000; and

143.23 (3) in a low-income area, they may be made for a minimum of \$5,000 and a
143.24 maximum of \$50,000; and

143.25 ~~(3)~~ (4) they do not require a match.

143.26 Subd. 5. **Revolving fund administration; rules.** (a) The board shall establish a
143.27 minimum interest rate for loans or guarantees to ensure that necessary loan administration
143.28 costs are covered.

143.29 (b) Loan repayment ~~amounts equal to one-half of the principal and interest~~ must be
143.30 ~~deposited in a revolving fund created by the board for challenge grants. The remaining~~
143.31 ~~amount of the loan repayment may be paid to the department for deposit in the revolving~~
143.32 loan fund. Loan interest payments must be deposited in a revolving loan fund created
143.33 by the nonprofit corporation originating the loan being repaid for further distribution,
143.34 consistent with the loan criteria ~~specified in subdivision 4~~ of this section.

143.35 (c) Administrative expenses of the ~~board and~~ nonprofit corporations with whom
143.36 the board enters into agreements ~~under subdivision 2~~, including expenses incurred by

144.1 a nonprofit corporation in providing financial, technical, managerial, and marketing
144.2 assistance to a business enterprise receiving a loan under subdivision 4, may be paid out of
144.3 the interest earned on loans and out of interest earned on money invested by the state Board
144.4 of Investment under section 116M.16, subdivision 2, as may be provided by the board.

144.5 ~~Subd. 6. **Rules.** The board shall adopt rules to implement this section.~~

144.6 Subd. 6a. **Nonprofit corporation loans.** The board may make loans to a nonprofit
144.7 corporation with which it has entered into an agreement under subdivision ~~4~~ 2. ~~These~~
144.8 ~~loans must be used to support a new or expanding business.~~ This support may include
144.9 such forms of financing as the sale of goods to the business on installment or deferred
144.10 payments, lease purchase agreements, or royalty investments in the business. The interest
144.11 rate charged by a nonprofit corporation for a loan under this subdivision must not exceed
144.12 the Wall Street Journal prime rate plus four percent. For a loan under this subdivision, the
144.13 nonprofit corporation may charge a loan origination fee equal to or less than one percent
144.14 of the loan value. The nonprofit corporation may retain the amount of the origination fee.
144.15 The nonprofit corporation must provide at least an equal match to the loan received by the
144.16 board. The maximum loan available to the nonprofit corporation under this subdivision is
144.17 \$50,000. Loans made to the nonprofit corporation under this subdivision may be made
144.18 without interest. Repayments made by the nonprofit corporation must be deposited in the
144.19 revolving fund created for ~~urban initiative program grants~~.

144.20 Subd. 7. **Cooperation.** A nonprofit corporation that receives ~~an urban challenge a~~
144.21 ~~program~~ program grant shall cooperate with other organizations, including but not limited to,
144.22 community development corporations, community action agencies, and the Minnesota
144.23 small business development centers.

144.24 Subd. 8. **Reporting requirements.** A nonprofit corporation that receives a
144.25 ~~challenge program~~ challenge program grant shall:

144.26 (1) submit an annual report to the board by ~~September~~ March 30 of each year that
144.27 includes a description of ~~projects~~ businesses supported by the ~~urban challenge grant~~
144.28 program, an account of loans made during the calendar year, the program's impact on
144.29 minority business enterprises and job creation for minority persons and low-income
144.30 persons ~~in low-income areas~~, the source and amount of money collected and distributed by
144.31 the ~~urban challenge grant~~ program, the program's assets and liabilities, and an explanation
144.32 of administrative expenses; and

144.33 (2) provide for an independent annual audit to be performed in accordance with
144.34 generally accepted accounting practices and auditing standards and submit a copy of each
144.35 annual audit report to the board.

145.1 Sec. 25. Minnesota Statutes 2014, section 124D.55, is amended to read:

145.2 **124D.55 GENERAL EDUCATION DEVELOPMENT (GED) TEST FEES.**

145.3 The commissioner shall pay 60 percent of the fee that is charged to an eligible
145.4 individual for the full battery of a general education development (GED) test, but not
145.5 more than \$40 for an eligible individual.

145.6 For fiscal year 2017 only, the commissioner shall pay 100 percent of the fee that is
145.7 charged to an eligible individual for the full battery of a general education development
145.8 (GED) test, but not more than the cost of one full battery per year for any individual.

145.9 Sec. 26. **[136A.123] MINNESOTA'S FUTURE TEACHERS GRANT PROGRAM.**

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

145.12 (b) "Eligible institution" means a postsecondary institution under section 136A.101,
145.13 subdivision 4, located in Minnesota.

145.14 (c) "High needs area" means a high needs area as defined by the Department of
145.15 Education biannual teacher supply and demand report under section 127A.05, subdivision
145.16 6, or other surveys conducted by the Department of Education that provide indicators for
145.17 teacher supply and demand needs not captured by the teacher supply and demand report.

145.18 (d) "High needs school" means a school that:

145.19 (1) has been designated a low performing school under the most recently passed
145.20 version of the federal Elementary and Secondary Education Act; or

145.21 (2) is above the state average in concentration of students qualifying for free and
145.22 reduced-price lunch.

145.23 (e) "Qualified candidate" means a student enrolled in an eligible institution with an
145.24 approved teacher preparation program that meets the program eligibility requirements in
145.25 subdivision 3.

145.26 Subd. 2. Program requirements. (a) The commissioner of the Office of Higher
145.27 Education shall award grants to eligible institutions to facilitate undergraduate and
145.28 graduate students, beginning in the 2017-2018 academic year, to become licensed
145.29 teachers. The commissioner of the Office of Higher Education shall determine the
145.30 maximum grant amount per institution and the maximum amount of the grant available
145.31 for administrative and support services.

145.32 (b) Grants must be awarded to programs at eligible institutions that demonstrate:

145.33 (1) a majority of the grant will be used to reduce the tuition, fees, and costs for
145.34 qualified candidates;

146.1 (2) the ability of the program to perform outreach activities to encourage historically
 146.2 underserved students, students of color, and students interested in teaching in a high needs
 146.3 area or high needs school to participate in the program;

146.4 (3) participating students will be provided with support services to ensure persistence
 146.5 and completion in their program and successful teacher licensure;

146.6 (4) participating students will be provided with experiential opportunities to explore
 146.7 teacher and educator experiences;

146.8 (5) participating students will provide a letter of intent, demonstrating their interest
 146.9 in teaching in a high needs area or high needs school, upon completing their teacher
 146.10 preparation program and receiving their teaching license.

146.11 (c) A grantee must be provided mentoring. Mentoring must include, but is not
 146.12 limited to:

146.13 (1) communicating frequently and consistently throughout program participation;

146.14 (2) developing a personalized student success plan, which must include concrete
 146.15 steps towards program completion and job placement and identify and make contingency
 146.16 plans for potential obstacles to program completion;

146.17 (3) connecting grantees to on-campus resources and personal development
 146.18 opportunities; and

146.19 (4) financial planning.

146.20 Sec. 27. Minnesota Statutes 2014, section 256D.051, is amended to read:

146.21 **256D.051 FOOD STAMP EMPLOYMENT AND TRAINING PROGRAM.**

146.22 Subdivision 1. **Food stamp employment and training program.** The
 146.23 commissioner shall implement a food stamp employment and training program in order to
 146.24 meet the food stamp employment and training participation requirements of the United
 146.25 States Department of Agriculture. ~~Unless exempt under subdivision 3a, each adult~~
 146.26 ~~recipient in the unit must participate in the food stamp employment and training program~~
 146.27 ~~each month that the person is eligible for food stamps. The person's participation in~~
 146.28 ~~food stamp employment and training services must begin no later than the first day of~~
 146.29 ~~the calendar month following the determination of eligibility for food stamps. With the~~
 146.30 ~~county agency's consent, and To the extent of available resources, the person a recipient~~
 146.31 ~~may voluntarily continue volunteer to participate in food stamp employment and training~~
 146.32 ~~services for up to three additional consecutive months immediately following termination~~
 146.33 ~~of food stamp benefits in order to complete the provisions of the person's employability~~
 146.34 ~~development plan. A recipient who volunteers for employment and training services is~~
 146.35 subject to work requirements in Code of Federal Regulations, title 7, section 273.7.

147.1 Subd. 1a. **Notices and sanctions.** (a) At the time the county agency notifies the
147.2 household that it is eligible for food stamps, the county agency must: (1) inform all
147.3 mandatory employment and training services participants as identified in subdivision 1
147.4 in the household that they must comply with all food stamp employment and training
147.5 program requirements each month, including the requirement to attend an initial
147.6 orientation to the food stamp employment and training program and that food stamp
147.7 eligibility will end unless the participants comply with the requirements specified in the
147.8 notice adults of the opportunity to volunteer for and participate in SNAP employment
147.9 and training activities; (2) provide plain language material that explains the benefits of
147.10 voluntary participation; and (3) provide the name and address of the county's designated
147.11 employment and training service provider.

147.12 (b) ~~A participant who fails without good cause to comply with food stamp~~
147.13 ~~employment and training program requirements of this section, including attendance~~
147.14 ~~at orientation, will lose food stamp eligibility for the following periods: The county~~
147.15 ~~must inform all recipients who are able-bodied adults without dependents that SNAP~~
147.16 ~~benefits are time limited to three months in a 36-month period from the first full month~~
147.17 ~~of application unless the recipient meets the work requirements in Code of Federal~~
147.18 ~~Regulations, title 7, section 273.7.~~

147.19 (1) ~~for the first occurrence, for one month or until the person complies with the~~
147.20 ~~requirements not previously complied with, whichever is longer;~~

147.21 (2) ~~for the second occurrence, for three months or until the person complies with the~~
147.22 ~~requirements not previously complied with, whichever is longer; or~~

147.23 (3) ~~for the third and any subsequent occurrence, for six months or until the person~~
147.24 ~~complies with the requirements not previously complied with, whichever is longer.~~

147.25 If the participant is not the food stamp head of household, the person shall be
147.26 considered an ineligible household member for food stamp purposes. If the participant is
147.27 the food stamp head of household, the entire household is ineligible for food stamps as
147.28 provided in Code of Federal Regulations, title 7, section 273.7(g). "Good cause" means
147.29 circumstances beyond the control of the participant, such as illness or injury, illness or
147.30 injury of another household member requiring the participant's presence, a household
147.31 emergency, or the inability to obtain child care for children between the ages of six and
147.32 12 or to obtain transportation needed in order for the participant to meet the food stamp
147.33 employment and training program participation requirements.

147.34 (c) The county agency shall mail or hand deliver a notice to the participant not later
147.35 than five days after determining that the participant has failed without good cause to
147.36 comply with food stamp employment and training program requirements which specifies

148.1 ~~the requirements that were not complied with, the factual basis for the determination of~~
148.2 ~~noncompliance, and the right to reinstate eligibility upon a showing of good cause for~~
148.3 ~~failure to meet the requirements. The notice must ask the reason for the noncompliance~~
148.4 ~~and identify the participant's appeal rights. The notice must request that the participant~~
148.5 ~~inform the county agency if the participant believes that good cause existed for the failure~~
148.6 ~~to comply and must state that the county agency intends to terminate eligibility for food~~
148.7 ~~stamp benefits due to failure to comply with food stamp employment and training program~~
148.8 ~~requirements.~~

148.9 (d) ~~If the county agency determines that the participant did not comply during the~~
148.10 ~~month with all food stamp employment and training program requirements that were in~~
148.11 ~~effect, and if the county agency determines that good cause was not present, the county~~
148.12 ~~must provide a ten-day notice of termination of food stamp benefits. The amount of~~
148.13 ~~food stamps that are withheld from the household and determination of the impact of~~
148.14 ~~the sanction on other household members is governed by Code of Federal Regulations,~~
148.15 ~~title 7, section 273.7.~~

148.16 (e) ~~The participant may appeal the termination of food stamp benefits under the~~
148.17 ~~provisions of section 256.045.~~

148.18 Subd. 2. **County agency duties.** (a) The county agency shall provide to food stamp
148.19 recipients a food stamp employment and training program. The program must include:

148.20 (1) orientation to the food stamp employment and training program;

148.21 (2) an individualized employability assessment and an individualized employability
148.22 development plan that includes assessment of literacy, ability to communicate in the
148.23 English language, educational and employment history, and that estimates the length of
148.24 time it will take the participant to obtain employment. The employability assessment and
148.25 development plan must be completed in consultation with the participant, must assess the
148.26 participant's assets, barriers, and strengths, and must identify steps necessary to overcome
148.27 barriers to employment. A copy of the employability development plan must be provided
148.28 to the registrant;

148.29 (3) referral to available accredited remedial or skills training or career pathway
148.30 programs designed to address participant's barriers to employment;

148.31 (4) referral to available programs that provide subsidized or unsubsidized
148.32 employment as necessary;

148.33 (5) a job search program, including job seeking skills training; and

148.34 (6) other activities, to the extent of available resources designed by the county
148.35 agency to prepare the participant for permanent employment.

149.1 ~~In order to allow time for job search, the county agency may not require an individual~~
149.2 ~~to participate in the food stamp employment and training program for more than 32 hours~~
149.3 ~~a week. The county agency shall require an individual to spend at least eight hours a week~~
149.4 ~~in job search or other food stamp employment and training program activities.~~

149.5 (b) The county agency shall prepare an annual plan for the operation of its food
149.6 stamp employment and training program. The plan must be submitted to and approved by
149.7 the commissioner of employment and economic development. The plan must include:

149.8 (1) a description of the services to be offered by the county agency;

149.9 (2) a plan to coordinate the activities of all public and private nonprofit entities
149.10 providing employment-related services in order to avoid duplication of effort and to
149.11 provide a wide range of allowable activities and services more efficiently;

149.12 (3) a description of the factors that will be taken into account when determining a
149.13 client's employability development plan; and

149.14 (4) provisions to ensure that the county agency's employment and training service
149.15 ~~provider provides~~ providers provide each recipient with an orientation, employability
149.16 assessment, and employability development plan as specified in paragraph (a), clauses (1)
149.17 and (2), within 30 days of the recipient's eligibility for assistance request to participate in
149.18 employment and training.

149.19 Subd. 2a. **Duties of commissioner.** In addition to any other duties imposed by law,
149.20 the commissioner shall:

149.21 (1) based on this section and section 256D.052 and Code of Federal Regulations,
149.22 title 7, section 273.7, supervise the administration of food stamp employment and training
149.23 services to county agencies;

149.24 (2) disburse money appropriated for food stamp employment and training services
149.25 to county agencies based upon the county's costs as specified in section 256D.051,
149.26 subdivision 6c;

149.27 (3) accept and supervise the disbursement of any funds that may be provided by the
149.28 federal government or from other sources for use in this state for ~~food stamp~~ employment
149.29 and training services;

149.30 (4) cooperate with other agencies including any agency of the United States or of
149.31 another state in all matters concerning the powers and duties of the commissioner under
149.32 this section and section 256D.052; and

149.33 (5) in cooperation with the commissioner of employment and economic
149.34 development, ensure that each component of an employment and training program carried
149.35 out under this section is delivered through a statewide workforce development system,
149.36 unless the component is not available locally through such a system.

150.1 Subd. 3. **Participant duties.** In order to receive food stamp assistance employment
150.2 and training services, a registrant participant who volunteers shall: (1) cooperate with
150.3 the county agency in all aspects of the food stamp employment and training program;
150.4 and (2) accept any suitable employment, including employment offered through the Job
150.5 Training Partnership Act, and other employment and training options; and (3) participate
150.6 in food stamp employment and training activities assigned by the county agency. The
150.7 county agency may terminate employment and training assistance to a registrant voluntary
150.8 participant who fails to cooperate in the food stamp employment and training program, ~~as~~
150.9 ~~provided in subdivision 1a unless good cause is provided.~~

150.10 Subd. 3a. **Requirement to register work.** (a) To the extent required under Code
150.11 of Federal Regulations, title 7, section 273.7(a), each applicant for and recipient of
150.12 food stamps is required to register for work as a condition of eligibility for food stamp
150.13 benefits. Applicants and recipients are registered by signing an application or annual
150.14 reapplication for food stamps, and must be informed that they are registering for work
150.15 by signing the form.

150.16 (b) ~~The commissioner shall determine, within federal requirements, persons required~~
150.17 ~~to participate in the food stamp employment and training (FSET) program.~~

150.18 (c) ~~The following food stamp recipients are exempt from mandatory participation in~~
150.19 ~~food stamp employment and training services:~~

150.20 (1) ~~recipients of benefits under the Minnesota family investment program, Minnesota~~
150.21 ~~supplemental aid program, or the general assistance program;~~

150.22 (2) ~~a child;~~

150.23 (3) ~~a recipient over age 55;~~

150.24 (4) ~~a recipient who has a mental or physical illness, injury, or incapacity which is~~
150.25 ~~expected to continue for at least 30 days and which impairs the recipient's ability to obtain~~
150.26 ~~or retain employment as evidenced by professional certification or the receipt of temporary~~
150.27 ~~or permanent disability benefits issued by a private or government source;~~

150.28 (5) ~~a parent or other household member responsible for the care of either a~~
150.29 ~~dependent child in the household who is under age six or a person in the household who is~~
150.30 ~~professionally certified as having a physical or mental illness, injury, or incapacity. Only~~
150.31 ~~one parent or other household member may claim exemption under this provision;~~

150.32 (6) ~~a recipient receiving unemployment insurance or who has applied for~~
150.33 ~~unemployment insurance and has been required to register for work with the Department~~
150.34 ~~of Employment and Economic Development as part of the unemployment insurance~~
150.35 ~~application process;~~

151.1 ~~(7) a recipient participating each week in a drug addiction or alcohol abuse treatment~~
151.2 ~~and rehabilitation program, provided the operators of the treatment and rehabilitation~~
151.3 ~~program, in consultation with the county agency, recommend that the recipient not~~
151.4 ~~participate in the food stamp employment and training program;~~

151.5 ~~(8) a recipient employed or self-employed for 30 or more hours per week at~~
151.6 ~~employment paying at least minimum wage, or who earns wages from employment equal~~
151.7 ~~to or exceeding 30 hours multiplied by the federal minimum wage; or~~

151.8 ~~(9) a student enrolled at least half time in any school, training program, or institution~~
151.9 ~~of higher education. When determining if a student meets this criteria, the school's,~~
151.10 ~~program's or institution's criteria for being enrolled half time shall be used.~~

151.11 Subd. 3b. **Orientation.** The county agency or its employment and training service
151.12 ~~provider providers~~ must provide an orientation to food stamp employment and training
151.13 services to each ~~nonexempt food stamp recipient within 30 days of the date that food~~
151.14 ~~stamp eligibility is determined~~ recipient within 30 days of the date that they agree to
151.15 volunteer. The orientation must inform the participant of the ~~requirement to participate~~
151.16 benefits of participating in services, the date, time, and address to report to for services,
151.17 the name and telephone number of the food stamp employment and training service
151.18 provider, the consequences for failure without good cause to comply, the services and
151.19 support services available through food stamp employment and training services and other
151.20 providers of similar services, and must encourage the participant to view the food stamp
151.21 program as a temporary means of supplementing the family's food needs until the family
151.22 achieves self-sufficiency through employment. The orientation may be provided through
151.23 audio-visual methods, but the participant must have the opportunity for face-to-face
151.24 interaction with county agency staff.

151.25 Subd. 6b. **Federal reimbursement.** Federal financial participation from the United
151.26 States Department of Agriculture for food stamp employment and training expenditures
151.27 that are eligible for reimbursement through the food stamp employment and training
151.28 program are dedicated funds and are annually appropriated to the commissioner of human
151.29 services for the operation of the food stamp employment and training program. Funds
151.30 appropriated under this subdivision must be used for skill attainment through employment,
151.31 training, and support services for food stamp participants. Up to ten percent of the funds
151.32 may be used for the administrative costs of capturing additional federal reimbursement
151.33 dollars. By February 15, 2017, the commissioner shall report to the legislative committees
151.34 having jurisdiction over the food stamp program on the progress of securing additional
151.35 federal reimbursements dollars. Federal financial participation for the nonstate portion of
151.36 food stamp employment and training costs must be paid to the county agency or services

152.1 provider that incurred the costs at a rate to be determined by the Departments of Human
152.2 Services and Employment and Economic Development.

152.3 Subd. 6c. **Program funding.** Within the limits of available resources, the
152.4 commissioner shall reimburse the actual costs of county agencies and their employment
152.5 and training service providers for the provision of food stamp employment and training
152.6 services, including participant support services, direct program services, and program
152.7 administrative activities. The cost of services for each county's food stamp employment and
152.8 training program shall not exceed the annual allocated amount. No more than 15 percent of
152.9 program funds may be used for administrative activities. The county agency may expend
152.10 county funds in excess of the limits of this subdivision without state reimbursement.

152.11 Program funds shall be allocated based on the county's average number of food
152.12 stamp cases as compared to the statewide total number of such cases. The average number
152.13 of cases shall be based on counts of cases as of March 31, June 30, September 30, and
152.14 December 31 of the previous calendar year. The commissioner may reallocate unexpended
152.15 money appropriated under this section to those county agencies that demonstrate a need
152.16 for additional funds.

152.17 Subd. 7. **Registrant status.** A registrant under this section is not an employee for
152.18 the purposes of workers' compensation, unemployment benefits, retirement, or civil service
152.19 laws, and shall not perform work ordinarily performed by a regular public employee.

152.20 Subd. 8. **Voluntary quit.** A person who is required to participate in food stamp
152.21 employment and training services is not eligible for food stamps if, without good cause,
152.22 the person refuses a legitimate offer of, or quits, suitable employment within 60 days
152.23 before the date of application. A person who is required to participate in food stamp
152.24 employment and training services and, without good cause, voluntarily quits suitable
152.25 employment or refuses a legitimate offer of suitable employment while receiving food
152.26 stamps shall be terminated from the food stamp program as specified in subdivision 1a.

152.27 Subd. 9. **Subcontractors.** A county agency may, at its option, subcontract any or all
152.28 of the duties under this section to a public or private entity approved by the commissioner
152.29 of employment and economic development.

152.30 Subd. 18. ~~Work experience~~ **Workfare placements.** (a) To the extent of available
152.31 resources, each county agency must establish and operate a ~~work experience~~ workfare
152.32 component in the food stamp employment and training program for recipients who are
152.33 subject to a federal limit of three months of food stamp eligibility in any 36-month period.
152.34 The purpose of the ~~work experience~~ workfare component is to enhance the participant's
152.35 employability, self-sufficiency, and to provide meaningful, productive work activities.

153.1 (b) The commissioner shall assist counties in the design and implementation of these
153.2 components. The commissioner must ensure that job placements under a ~~work experience~~
153.3 workfare component comply with section 256J.72. Written or oral concurrence with job
153.4 duties of persons placed under the ~~community work experience~~ workfare program shall be
153.5 obtained from the appropriate exclusive bargaining representative.

153.6 (c) Worksites developed under this section are limited to projects that serve a useful
153.7 public service such as health, social service, environmental protection, education, urban
153.8 and rural development and redevelopment, welfare, recreation, public facilities, public
153.9 safety, community service, services to aged or disabled citizens, and child care. To the
153.10 extent possible, the prior training, skills, and experience of a recipient must be used in
153.11 making appropriate ~~work experience~~ workfare assignments.

153.12 (d) Structured, supervised ~~volunteer~~ uncompensated work with an agency or
153.13 organization that is monitored by the county service provider may, with the approval of
153.14 the county agency, be used as a ~~work experience~~ workfare placement.

153.15 (e) As a condition of placing a person receiving food stamps in a program under this
153.16 subdivision, the county agency shall first provide the recipient the opportunity:

153.17 (1) for placement in suitable subsidized or unsubsidized employment through
153.18 participation in job search under section 256D.051; ~~or~~

153.19 (2) for placement in suitable employment through participation in ~~on-the-job training~~
153.20 a paid work experience, if such employment is available; or

153.21 (3) for placement in an educational program designed to increase job skills and
153.22 employability.

153.23 (f) The county agency shall limit the maximum monthly number of hours that any
153.24 participant may work in a ~~work experience~~ workfare placement to a number equal to the
153.25 amount of the family's monthly food stamp allotment divided by the greater of the federal
153.26 minimum wage or the applicable state minimum wage.

153.27 After a participant has been assigned to a position for ~~nine~~ six months, the participant
153.28 may not continue in that assignment unless the maximum number of hours a participant
153.29 works is no greater than the amount of the food stamp benefit divided by the rate of pay
153.30 for individuals employed in the same or similar occupations by the same employer at
153.31 the same site.

153.32 (g) The participant's employability development plan must include the length
153.33 of time needed in the ~~work experience~~ workfare program, the need to continue job
153.34 seeking activities while participating in ~~work experience~~ the workfare program, and the
153.35 participant's employment goals.

154.1 (h) After each six months of a recipient's participation in a ~~work experience job~~
 154.2 workfare placement, and at the conclusion of each ~~work experience~~ workfare assignment
 154.3 under this section, the county agency shall reassess and revise, as appropriate, the
 154.4 participant's employability development plan.

154.5 (i) A participant has good cause for failure to cooperate with a ~~work experience job~~
 154.6 workfare placement if, in the judgment of the employment and training service provider,
 154.7 the reason for failure is reasonable and justified. ~~Good cause for purposes of this section is~~
 154.8 ~~defined in subdivision 1a, paragraph (b).~~

154.9 (j) A recipient who has failed without good cause to participate in or comply with the
 154.10 ~~work experience job~~ a workfare placement shall be terminated from participation in ~~work~~
 154.11 ~~experience job~~ workfare activities. ~~If the recipient is not exempt from mandatory food~~
 154.12 ~~stamp employment and training program participation under subdivision 3a, the recipient~~
 154.13 ~~will be assigned to other mandatory program activities. If the recipient is exempt from~~
 154.14 ~~mandatory participation but is participating as a volunteer, the person shall be terminated~~
 154.15 ~~from the food stamp employment and training program.~~

154.16 Sec. 28. Laws 2013, chapter 108, article 14, section 2, subdivision 1, as amended by
 154.17 Laws 2014, chapter 312, article 31, section 3, is amended to read:

154.18 Subdivision 1. **Total Appropriation** \$ 6,437,815,000 \$ 6,456,311,000

154.19 Appropriations by Fund			
	2014	2015	
154.21 General	5,654,095,000	5,676,652,000	
154.22 State Government			
154.23 Special Revenue	4,099,000	4,510,000	
154.24 Health Care Access	519,816,000	518,446,000	
154.25 Federal TANF	257,915,000	254,813,000	
154.26 Lottery Prize Fund	1,890,000	1,890,000	

154.27 **Receipts for Systems Projects.**

154.28 Appropriations and federal receipts for
 154.29 information systems projects for MAXIS,
 154.30 PRISM, MMIS, and SSIS must be deposited
 154.31 in the state system account authorized
 154.32 in Minnesota Statutes, section 256.014.
 154.33 Money appropriated for computer projects
 154.34 approved by the commissioner of Minnesota
 154.35 information technology services, funded
 154.36 by the legislature, and approved by the

155.1 commissioner of management and budget,
155.2 may be transferred from one project to
155.3 another and from development to operations
155.4 as the commissioner of human services
155.5 considers necessary. Any unexpended
155.6 balance in the appropriation for these
155.7 projects does not cancel but is available for
155.8 ongoing development and operations.

155.9 **Nonfederal Share Transfers.** The
155.10 nonfederal share of activities for which
155.11 federal administrative reimbursement is
155.12 appropriated to the commissioner may be
155.13 transferred to the special revenue fund.

155.14 **ARRA Supplemental Nutrition Assistance**
155.15 **Benefit Increases.** The funds provided for
155.16 food support benefit increases under the
155.17 Supplemental Nutrition Assistance Program
155.18 provisions of the American Recovery and
155.19 Reinvestment Act (ARRA) of 2009 must be
155.20 used for benefit increases beginning July 1,
155.21 2009.

155.22 **Supplemental Nutrition Assistance**
155.23 **Program Employment and Training.**
155.24 (1) Notwithstanding Minnesota Statutes,
155.25 sections 256D.051, subdivisions 1a, 6b,
155.26 and 6c, and 256J.626, federal Supplemental
155.27 Nutrition Assistance employment and
155.28 training funds received as reimbursement of
155.29 MFIP consolidated fund grant expenditures
155.30 for diversionary work program participants
155.31 and child care assistance program
155.32 expenditures must be deposited in the general
155.33 fund. The amount of funds must be limited to
155.34 \$4,900,000 per year in fiscal years 2014 and
155.35 2015, and to \$4,400,000 per year in fiscal

156.1 ~~years~~ year 2016 ~~and 2017~~, contingent on
156.2 approval by the federal Food and Nutrition
156.3 Service.

156.4 (2) Notwithstanding Minnesota Statutes,
156.5 sections 256D.051, subdivisions 1a, 6b, and
156.6 6c, and 256J.626, in fiscal year 2017, up to
156.7 \$4,400,000 in federal Supplemental Nutrition
156.8 Assistance employment and training
156.9 funds received as reimbursement of MFIP
156.10 consolidated fund grant expenditures for
156.11 diversionary work program participants and
156.12 child care assistance program expenditures
156.13 is appropriated to the commissioner of
156.14 human services to expand the Supplemental
156.15 Nutrition Assistance Program Employment
156.16 and Training Program, including
156.17 administrative costs, contingent on approval
156.18 by the federal Food and Nutrition Service.

156.19 ~~(2)~~ (3) Consistent with the receipt of the
156.20 federal funds, the commissioner may
156.21 adjust the level of working family credit
156.22 expenditures claimed as TANF maintenance
156.23 of effort. Notwithstanding any contrary
156.24 provision in this article, this rider expires
156.25 June 30, 2017.

156.26 **TANF Maintenance of Effort.** (a) In order
156.27 to meet the basic maintenance of effort
156.28 (MOE) requirements of the TANF block grant
156.29 specified under Code of Federal Regulations,
156.30 title 45, section 263.1, the commissioner may
156.31 only report nonfederal money expended for
156.32 allowable activities listed in the following
156.33 clauses as TANF/MOE expenditures:

157.1 (1) MFIP cash, diversionary work program,
157.2 and food assistance benefits under Minnesota
157.3 Statutes, chapter 256J;

157.4 (2) the child care assistance programs
157.5 under Minnesota Statutes, sections 119B.03
157.6 and 119B.05, and county child care
157.7 administrative costs under Minnesota
157.8 Statutes, section 119B.15;

157.9 (3) state and county MFIP administrative
157.10 costs under Minnesota Statutes, chapters
157.11 256J and 256K;

157.12 (4) state, county, and tribal MFIP
157.13 employment services under Minnesota
157.14 Statutes, chapters 256J and 256K;

157.15 (5) expenditures made on behalf of legal
157.16 noncitizen MFIP recipients who qualify for
157.17 the MinnesotaCare program under Minnesota
157.18 Statutes, chapter 256L;

157.19 (6) qualifying working family credit
157.20 expenditures under Minnesota Statutes,
157.21 section 290.0671;

157.22 (7) qualifying Minnesota education credit
157.23 expenditures under Minnesota Statutes,
157.24 section 290.0674; and

157.25 (8) qualifying Head Start expenditures under
157.26 Minnesota Statutes, section 119A.50.

157.27 (b) The commissioner shall ensure that
157.28 sufficient qualified nonfederal expenditures
157.29 are made each year to meet the state's
157.30 TANF/MOE requirements. For the activities
157.31 listed in paragraph (a), clauses (2) to
157.32 (8), the commissioner may only report
157.33 expenditures that are excluded from the

158.1 definition of assistance under Code of
158.2 Federal Regulations, title 45, section 260.31.

158.3 (c) For fiscal years beginning with state fiscal
158.4 year 2003, the commissioner shall ensure
158.5 that the maintenance of effort used by the
158.6 commissioner of management and budget
158.7 for the February and November forecasts
158.8 required under Minnesota Statutes, section
158.9 16A.103, contains expenditures under
158.10 paragraph (a), clause (1), equal to at least 16
158.11 percent of the total required under Code of
158.12 Federal Regulations, title 45, section 263.1.

158.13 (d) The requirement in Minnesota Statutes,
158.14 section 256.011, subdivision 3, that federal
158.15 grants or aids secured or obtained under that
158.16 subdivision be used to reduce any direct
158.17 appropriations provided by law, do not apply
158.18 if the grants or aids are federal TANF funds.

158.19 (e) For the federal fiscal years beginning on
158.20 or after October 1, 2007, the commissioner
158.21 may not claim an amount of TANF/MOE in
158.22 excess of the 75 percent standard in Code
158.23 of Federal Regulations, title 45, section
158.24 263.1(a)(2), except:

158.25 (1) to the extent necessary to meet the 80
158.26 percent standard under Code of Federal
158.27 Regulations, title 45, section 263.1(a)(1),
158.28 if it is determined by the commissioner
158.29 that the state will not meet the TANF work
158.30 participation target rate for the current year;

158.31 (2) to provide any additional amounts
158.32 under Code of Federal Regulations, title 45,
158.33 section 264.5, that relate to replacement of
158.34 TANF funds due to the operation of TANF
158.35 penalties; and

159.1 (3) to provide any additional amounts that
 159.2 may contribute to avoiding or reducing
 159.3 TANF work participation penalties through
 159.4 the operation of the excess MOE provisions
 159.5 of Code of Federal Regulations, title 45,
 159.6 section 261.43(a)(2).

159.7 (f) For the purposes of paragraph (e), clauses
 159.8 (1) to (3), the commissioner may supplement
 159.9 the MOE claim with working family credit
 159.10 expenditures or other qualified expenditures
 159.11 to the extent such expenditures are otherwise
 159.12 available after considering the expenditures
 159.13 allowed in this subdivision and ~~subdivisions~~
 159.14 subdivision 2 and 3.

159.15 ~~(f)~~ (g) Notwithstanding any contrary
 159.16 provision in this article, paragraphs (a) to (e)
 159.17 expire June 30, ~~2017~~ 2019.

159.18 **Working Family Credit Expenditures**
 159.19 **as TANF/MOE.** The commissioner may
 159.20 claim as TANF maintenance of effort up to
 159.21 \$6,707,000 per year of working family credit
 159.22 expenditures in each fiscal year.

159.23 Sec. 29. Laws 2015, First Special Session chapter 1, article 1, section 3, subdivision 5,
 159.24 is amended to read:

159.25			8,519,000
159.26	Subd. 5. Family Homeless Prevention	8,519,000	<u>8,769,000</u>

159.27 This appropriation is for the family homeless
 159.28 prevention and assistance programs under
 159.29 Minnesota Statutes, section 462A.204. Of
 159.30 this amount, \$250,000 in the second year
 159.31 is a onetime appropriation for grants to
 159.32 eligible applicants to create or expand risk
 159.33 mitigation programs to reduce landlord
 159.34 financial risks for renting to persons eligible

160.1 under Minnesota Statutes, section 462A.204.
 160.2 Eligible programs may reimburse landlords
 160.3 for costs including but not limited to
 160.4 nonpayment of rent, or damage costs above
 160.5 those costs covered by security deposits. The
 160.6 agency may give higher priority to applicants
 160.7 that can demonstrate a matching amount
 160.8 of money by a local unit of government,
 160.9 business, or nonprofit organization. Grantees
 160.10 must establish a procedure to review and
 160.11 validate claims and reimbursements under
 160.12 this grant program.

160.13 Sec. 30. Laws 2015, First Special Session chapter 1, article 1, section 3, subdivision 6,
 160.14 is amended to read:

160.15			885,000
160.16	Subd. 6. Home Ownership Assistance Fund	885,000	<u>3,885,000</u>

160.17 This appropriation is for the home ownership
 160.18 assistance program under Minnesota
 160.19 Statutes, section 462A.21, subdivision 8.
 160.20 The agency shall continue to strengthen
 160.21 its efforts to address the disparity gap in
 160.22 the homeownership rate between white
 160.23 households and indigenous American Indians
 160.24 and communities of color.

160.25 Sec. 31. Laws 2015, First Special Session chapter 1, article 1, section 3, subdivision
 160.26 10, is amended to read:

160.27			375,000
160.28	Subd. 10. Capacity Building Grants	375,000	<u>875,000</u>

160.29 (a) This appropriation is for nonprofit
 160.30 capacity building grants under Minnesota
 160.31 Statutes, section 462A.21, subdivision 3b.
 160.32 Of this amount, \$125,000 each year is
 160.33 for support of the Homeless Management
 160.34 Information System (HMIS).

161.1 (b) \$500,000 is a onetime appropriation
 161.2 for competitive grants to nonprofit housing
 161.3 organizations, housing and redevelopment
 161.4 authorities, or other political subdivisions
 161.5 to provide intensive financial education and
 161.6 coaching services to individuals or families
 161.7 who have the goal of homeownership.
 161.8 Financial education and coaching services
 161.9 include but are not limited to asset building,
 161.10 development of spending plans, credit report
 161.11 education, repair and rebuilding, consumer
 161.12 protection training, and debt reduction.
 161.13 Priority must be given to organizations
 161.14 that have experience serving underserved
 161.15 populations.

161.16 Sec. 32. Laws 2015, First Special Session chapter 3, article 11, section 3, subdivision
 161.17 3, is amended to read:

161.18 Subd. 3. **GED tests.** For payment of ~~60 percent~~ of the costs of GED tests as
 161.19 provided under Minnesota Statutes, section 124D.55:

161.20	\$	125,000	.....	2016
161.21		125,000		
161.22	\$	<u>245,000</u>	.....	2017

161.23 The base appropriation for fiscal year 2018 and later is \$125,000.

161.24 Sec. 33. **STEPPING UP FOR KIDS; FINANCIAL ASSISTANCE.**

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

161.27 (b) "High needs area" means a high needs area as defined in the Department of
 161.28 Education biannual teacher supply and demand report under Minnesota Statutes, section
 161.29 127A.05, subdivision 6, or other surveys conducted by the Department of Education
 161.30 that provide indicators for teacher supply and demand needs not captured by the teacher
 161.31 supply and demand report.

161.32 (c) "High needs school" means a school that:

161.33 (1) is identified as a low performing school under federal expectations; and

162.1 (2) is above the state average in concentration of students qualifying for free and
162.2 reduced-price lunch.

162.3 (d) "Qualified candidate" means a paraprofessional employed in a Minnesota school
162.4 currently or within the past three years who has been admitted to an institution as defined
162.5 under Minnesota Statutes, section 136A.101, subdivision 4, located in Minnesota with
162.6 an approved Minnesota teacher licensure program and meets the program eligibility
162.7 requirements in subdivision 3 and in policies adopted under subdivision 5.

162.8 Subd. 2. **Eligibility.** (a) A qualified candidate may apply, beginning in the
162.9 2017-2018 academic year, to the commissioner of the Office of Higher Education to
162.10 receive financial assistance under this section. The commissioner of the Office of Higher
162.11 Education shall award financial assistance to paraprofessionals employed in high needs
162.12 areas or high needs schools based on shortages, geographical distribution, or other surveys
162.13 conducted by the Department of Education and must take into consideration diversifying
162.14 the teacher workforce. The application must include a letter of support from the designated
162.15 school district administrator where the paraprofessional is employed.

162.16 (b) A candidate must commit to remain employed in a Minnesota school district for
162.17 four years upon completion of teacher preparation as verified through the Staff Automated
162.18 Reporting (STAR) system maintained by the Department of Education. A candidate
162.19 who does not complete the four-year service commitment may be required to repay the
162.20 financial assistance.

162.21 (c) A candidate must provide a letter of intent, demonstrating an interest in teaching
162.22 in a high needs area or high needs school, upon completing the teacher preparation
162.23 program and receiving a teaching license.

162.24 Subd. 3. **Usage.** The financial assistance may only be used for tuition and related
162.25 living and miscellaneous expenses required to complete teacher preparation and attain
162.26 licensure.

162.27 Subd. 4. **Policymaking.** The commissioner of education with assistance from the
162.28 commissioner of the Office of Higher Education shall adopt policies or procedures to
162.29 implement this section, including:

162.30 (1) additional eligibility and renewal criteria;

162.31 (2) annual and lifetime maximum awards per student; and

162.32 (3) service fulfillment and repayment criteria.

162.33 **Sec. 34. GOOD FOOD ACCESS ADVISORY COMMITTEE.**

162.34 The commissioner of agriculture and designating authorities must make their initial
162.35 appointments and designations by July 1, 2016, for the Good Food Access Advisory

163.1 Committee established under Minnesota Statutes, section 17.1018. The commissioner of
163.2 agriculture or the commissioner's designee must convene the first meeting of the Good
163.3 Food Access Advisory Committee by September 1, 2016.

163.4 Sec. 35. **REQUIREMENTS FOR GRANTS TO INDIVIDUALLY SPECIFIED**
163.5 **RECIPIENTS.**

163.6 (a) **Application.** This section applies to any grant funded under this act where the
163.7 recipient of the grant is individually specified in this act. The commissioner serving as the
163.8 fiscal agent for the grant must ensure compliance with the requirements of this section, and
163.9 all applicable requirements under existing law, including applicable grants management
163.10 policies and procedures established by the Office of Grants Management.

163.11 (b) **Prerequisites.** Before any funding is provided to the grant recipient, the
163.12 recipient must provide the fiscal agent with a description of the following information in
163.13 a grant application:

- 163.14 (1) the purpose of the grant, including goals, priorities, and measurable outcomes;
163.15 (2) eligibility requirements for individuals who will be served by the grant program;
163.16 (3) the proposed geographic service areas for individuals served by the grant; and
163.17 (4) the reporting requirements.

163.18 These requirements are in addition to any requirements under existing laws and policies.

163.19 (c) **Financial Review.** Office of Grants Management Operating Policy and
163.20 Procedure number 08-06, titled "Policy on the Financial Review of Nongovernmental
163.21 Organizations" applies in pertinent part to all grants covered by paragraph (a).

163.22 (d) **Reporting to Fiscal Agent.** In addition to meeting any reporting requirements
163.23 included in the grant agreement, grant recipients subject to this section must provide the
163.24 following information to the commissioner serving as fiscal agent:

- 163.25 (1) a detailed accounting of the use of any grant proceeds;
163.26 (2) a description of program outcomes to date, including performance measured
163.27 against indicators specified in the grant agreement, including, but not limited to, job
163.28 creation, employment activity, wage information, business formation or expansion, and
163.29 academic performance; and

- 163.30 (3) the portion of the grant, if any, spent on the recipient's operating expenses.

163.31 Grant recipients must report the information required under this paragraph to the fiscal
163.32 agent within one year after receiving any portion of the grant, annually thereafter, and
163.33 within 30 days following the use of all funds provided under the grant.

163.34 (e) **Reporting to Legislature.** Beginning January 15, 2017, a commissioner serving
163.35 as a fiscal agent for a grant subject to this section must submit a report containing the

164.1 information provided by the grant recipients to the chairs and ranking minority members
164.2 of the legislative committees and budget divisions with jurisdiction over the agency
164.3 servng as fiscal agent for the grant. The report submitted under this section must also
164.4 include the commissioner's summary of the use of grant proceeds, and an analysis of
164.5 the grant recipients' success in meeting the goals, priorities, and measurable outcomes
164.6 specified for the grant. An updated version of this report must be submitted on January
164.7 15 of each succeeding year until January 15 in the year following the date when all of
164.8 the grant funds have been spent.

164.9 Sec. 36. **ETHNIC COUNCIL REVIEW.**

164.10 The commissioners of each agency appropriated money in this article may consult
164.11 with the four ethnic councils under Minnesota Statutes, sections 3.922 and 15.0145,
164.12 regarding implementation of the programs funded under this article. Any request for
164.13 proposals developed by a state agency as a result of this article may be reviewed by the
164.14 four ethnic councils prior to public submission.

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

164.16 Sec. 37. **REVISOR'S INSTRUCTION.**

164.17 In the next editions of Minnesota Statutes and Minnesota Rules, the Revisor of
164.18 Statutes shall change the term "Urban Initiative Board" to "Minnesota Initiative Board,"
164.19 "board," or similar terms as the context requires.

164.20 Sec. 38. **REPEALER.**

164.21 Laws 2015, First Special Session chapter 1, article 1, section 2, subdivision 8, is
164.22 repealed.

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

164.24 **ARTICLE 7**

164.25 **ENVIRONMENT AND ENERGY**

164.26 Section 1. **APPROPRIATIONS.**

164.27 The sums shown in the columns marked "Appropriations" are added to the
164.28 appropriations in Laws 2015, First Special Session chapter 4, or appropriated to the
164.29 agencies and for the purposes specified in this article. The appropriations are from the
164.30 general fund, or another named fund, and are available for the fiscal year indicated for
164.31 each purpose. The figures "2016" and "2017" used in this article mean that the addition

165.1 to the appropriations listed under them are available for the fiscal year ending June 30,
 165.2 2016, or June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second
 165.3 year" is fiscal year 2017. Appropriations for fiscal year 2016 are effective the day
 165.4 following final enactment.

165.5		<u>APPROPRIATIONS</u>	
165.6		<u>Available for the Year</u>	
165.7		<u>Ending June 30</u>	
165.8		<u>2016</u>	<u>2017</u>

165.9 **Sec. 2. POLLUTION CONTROL AGENCY**

165.10	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>143,000</u>	<u>\$</u>	<u>6,867,000</u>
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165.11	<u>Appropriations by Fund</u>			
165.12		<u>2016</u>	<u>2017</u>	
165.13	<u>General</u>	<u>143,000</u>	<u>2,759,000</u>	
165.14	<u>Environmental</u>	<u>-0-</u>	<u>4,108,000</u>	

165.15	<u>Subd. 2. Water</u>		<u>-0-</u>		<u>1,146,000</u>
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165.16 \$923,000 the second year is to meet the
 165.17 increased demand for technical assistance
 165.18 and review of municipal water infrastructure
 165.19 projects that will be generated by increased
 165.20 grant funding through the Public Facilities
 165.21 Authority. This is a onetime appropriation
 165.22 and is available until June 30, 2019.

165.23 \$108,000 the second year is from the
 165.24 environmental fund to manage a rulemaking
 165.25 process to enhance equity in the water
 165.26 program permit fee structure.

165.27 \$115,000 the second year is for the working
 165.28 lands program feasibility study and program
 165.29 plan. This is a onetime appropriation and is
 165.30 available until June 30, 2018.

165.31	<u>Subd. 3. Land</u>		<u>-0-</u>		<u>432,000</u>
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165.32 \$432,000 the second year is to manage
 165.33 contaminated sediment projects at multiple
 165.34 sites identified in the St. Louis River

166.1	<u>remedial action plan to restore water quality</u>		
166.2	<u>in the St. Louis River area of concern. This</u>		
166.3	<u>amount is added to the base for fiscal years</u>		
166.4	<u>2018, 2019, and 2020 only.</u>		
166.5	<u>Subd. 4. Environmental Assistance and</u>		
166.6	<u>Cross-Media</u>	<u>-0-</u>	<u>4,000,000</u>
166.7	<u>\$4,000,000 is appropriated from the</u>		
166.8	<u>environmental fund for SCORE block grants</u>		
166.9	<u>to counties. This amount is in addition to the</u>		
166.10	<u>amounts appropriated in Laws 2015, First</u>		
166.11	<u>Special Session chapter 4, article 3, section 2,</u>		
166.12	<u>subdivision 5. The forecast base for SCORE</u>		
166.13	<u>grants in fiscal year 2018 is \$21,250,000 and</u>		
166.14	<u>in fiscal year 2019 and later is \$25,250,000.</u>		
166.15	<u>Subd. 5. Administrative Services</u>	<u>143,000</u>	<u>1,289,000</u>
166.16	<u>\$143,000 the first year and \$1,289,000</u>		
166.17	<u>the second year are for legal support costs</u>		
166.18	<u>related to the agency's environmental review</u>		
166.19	<u>and permitting decisions on the PolyMet</u>		
166.20	<u>NorthMet project. This is a onetime</u>		
166.21	<u>appropriation and is available until June 30,</u>		
166.22	<u>2019.</u>		
166.23	<u>Sec. 3. BOARD OF WATER AND SOIL</u>		
166.24	<u>RESOURCES</u>	<u>\$</u>	<u>-0- \$</u> <u>729,000</u>
166.25	<u>\$479,000 the second year is for the working</u>		
166.26	<u>lands program feasibility study and program</u>		
166.27	<u>plan. This is a onetime appropriation and is</u>		
166.28	<u>available until June 30, 2018.</u>		
166.29	<u>\$250,000 the second year is to initiate</u>		
166.30	<u>development and coordination of Minnesota</u>		
166.31	<u>River Basin goals and strategies for sediment</u>		
166.32	<u>reduction, flow reduction, and nutrient</u>		
166.33	<u>reduction. This is a onetime appropriation.</u>		

167.1 Sec. 4. [103F.519] WORKING LANDS WATERSHED RESTORATION
167.2 PROGRAM.

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

167.5 (b) "Advanced biofuel" has the meaning given in section 239.051, subdivision 1a.

167.6 (c) "Agricultural use" has the meaning given in section 17.81, subdivision 4.

167.7 (d) "Biomass processing facility" means a facility producing electricity, advanced
167.8 biofuel, renewable chemical, or biomass thermal energy from perennial crops.

167.9 (e) "Biomass thermal energy" means energy generated from biomass for commercial
167.10 heat or industrial process heat.

167.11 (f) "Board" means the Board of Water and Soil Resources.

167.12 (g) "Perennial crops" has the meaning given in section 41A.15, subdivision 9.

167.13 (h) "Renewable chemical" has the meaning given in section 41A.15, subdivision 10.

167.14 Subd. 2. Establishment. The board, in consultation with the commissioner of
167.15 agriculture, shall administer a program to incentivize the establishment and maintenance
167.16 of perennial crops. The board shall contract with landowners and give priority to contracts
167.17 that implement water protection actions as identified in a completed watershed restoration
167.18 and protection strategy developed under section 114D.26.

167.19 Subd. 3. Eligible land. Land eligible under this section must:

167.20 (1) have been in agricultural use for annual crop production or have been set aside,
167.21 enrolled, or diverted under another federal or state government program for at least two
167.22 of the last five years before the date of application; and

167.23 (2) not be currently set aside, enrolled, or diverted under another federal or state
167.24 government program.

167.25 Subd. 4. Contract terms; use as livestock feed. (a) The board shall offer a contract
167.26 rate of no more than 90 percent of the most recent federal conservation reserve program
167.27 payment for the county in which the land is located. The board may make additional
167.28 payments to assist with the establishment of perennial crops.

167.29 (b) Contracts must be at least ten years in duration.

167.30 (c) Perennial crops grown on land enrolled under this section may be used by a
167.31 biomass processing facility or for livestock feed. Perennial crops may be processed in a
167.32 manner that utilizes a portion of the plant for livestock.

167.33 (d) The board shall prioritize land with the highest potential to leverage federal
167.34 funding.

167.35 (e) The board may establish additional contract terms.

168.1 Subd. 5. **Pilot watershed selection.** The board may select up to two watersheds in
168.2 which to conduct an initial pilot program of up to 100,000 total acres. Project watersheds
168.3 must have, as determined by the board:

168.4 (1) a completed watershed restoration and protection strategy developed under
168.5 section 114D.26, or a hydrological simulation program model approved by the Pollution
168.6 Control Agency;

168.7 (2) multiple water quality impairments;

168.8 (3) access to a viable proposed biomass processing facility for the perennial crops
168.9 grown under this section; and

168.10 (4) sufficient acres of cropland available for perennial crop production to adequately
168.11 supply the proposed biomass processing facility.

168.12 Sec. 5. Minnesota Statutes 2014, section 115B.48, is amended by adding a subdivision
168.13 to read:

168.14 Subd. 10. **Owner or operator.** "Owner or operator" means a person who:

168.15 (1) owns or has owned a dry cleaning facility during the time the dry cleaning
168.16 facility operated; or

168.17 (2) operates or has operated a dry cleaning facility.

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

168.19 Sec. 6. Minnesota Statutes 2014, section 115B.50, subdivision 3, is amended to read:

168.20 Subd. 3. **Limitation on amount that may be spent.** The commissioner may not, in
168.21 a single fiscal year, make expenditures from the account related to a single dry cleaning
168.22 facility that exceed 20 percent of the balance in the account at the beginning of the fiscal
168.23 year ~~\$100,000.~~

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

168.25 Sec. 7. Minnesota Statutes 2014, section 115B.50, is amended by adding a subdivision
168.26 to read:

168.27 Subd. 4. **Reimbursement adjustment rulemaking.** The commissioner may use
168.28 the expedited rulemaking process under section 14.389 to adjust reimbursement dollar
168.29 amounts contained in the rules established under subdivision 2.

168.30 Sec. 8. Minnesota Statutes 2014, section 115C.13, is amended to read:

168.31 **115C.13 REPEALER.**

169.1 Sections 115C.01, 115C.02, 115C.021, 115C.03, 115C.04, 115C.045, 115C.05,
169.2 115C.06, 115C.065, 115C.07, 115C.08, 115C.09, 115C.093, 115C.094, 115C.10, 115C.11,
169.3 115C.112, 115C.113, 115C.12, and 115C.13, are repealed effective June 30, ~~2017~~ 2022.

169.4 Sec. 9. Minnesota Statutes 2014, section 216B.2424, subdivision 5a, is amended to read:

169.5 Subd. 5a. **Reduction of biomass mandate.** (a) Notwithstanding subdivision 5, the
169.6 biomass electric energy mandate must be reduced from 125 megawatts to 110 megawatts.

169.7 (b) The Public Utilities Commission shall approve a request pending before the
169.8 commission as of May 15, 2003, for amendments to and assignment of a power purchase
169.9 agreement with the owner of a facility that uses short-rotation, woody crops as its primary
169.10 fuel previously approved to satisfy a portion of the biomass mandate if the owner of
169.11 the project agrees to reduce the size of its project from 50 megawatts to 35 megawatts,
169.12 while maintaining an average price for energy in nominal dollars measured over the term
169.13 of the power purchase agreement at or below \$104 per megawatt-hour, exclusive of any
169.14 price adjustments that may take effect subsequent to commission approval of the power
169.15 purchase agreement, as amended. The commission shall also approve, as necessary, any
169.16 subsequent assignment or sale of the power purchase agreement or ownership of the
169.17 project to an entity owned or controlled, directly or indirectly, by two municipal utilities
169.18 located north of Constitutional Route No. 8, as described in section 161.114, which
169.19 currently own electric and steam generation facilities using coal as a fuel and which
169.20 propose to retrofit their existing municipal electrical generating facilities to utilize biomass
169.21 fuels in order to perform the power purchase agreement.

169.22 (c) If the power purchase agreement described in paragraph (b) is assigned to an
169.23 entity that is, or becomes, owned or controlled, directly or indirectly, by two municipal
169.24 entities as described in paragraph (b), and the power purchase agreement meets the
169.25 price requirements of paragraph (b), the commission shall approve any amendments to
169.26 the power purchase agreement necessary to reflect the changes in project location and
169.27 ownership and any other amendments made necessary by those changes. The commission
169.28 shall also specifically find that:

169.29 (1) the power purchase agreement complies with and fully satisfies the provisions of
169.30 this section to the full extent of its 35-megawatt capacity;

169.31 (2) all costs incurred by the public utility and all amounts to be paid by the public
169.32 utility to the project owner under the terms of the power purchase agreement are fully
169.33 recoverable pursuant to section 216B.1645;

170.1 (3) subject to prudence review by the commission, the public utility may recover
170.2 from its Minnesota retail customers the amounts that may be incurred and paid by the
170.3 public utility during the full term of the power purchase agreement; and

170.4 (4) if the purchase power agreement meets the requirements of this subdivision,
170.5 it is reasonable and in the public interest.

170.6 (d) The commission shall specifically approve recovery by the public utility of
170.7 any and all Minnesota jurisdictional costs incurred by the public utility to improve,
170.8 construct, install, or upgrade transmission, distribution, or other electrical facilities owned
170.9 by the public utility or other persons in order to permit interconnection of the retrofitted
170.10 biomass-fueled generating facilities or to obtain transmission service for the energy
170.11 provided by the facilities to the public utility pursuant to section 216B.1645, and shall
170.12 disapprove any provision in the power purchase agreement that requires the developer
170.13 or owner of the project to pay the jurisdictional costs or that permit the public utility to
170.14 terminate the power purchase agreement as a result of the existence of those costs or the
170.15 public utility's obligation to pay any or all of those costs.

170.16 (e) Upon request by the project owner, the public utility shall agree to amend the
170.17 power purchase agreement described in paragraph (b) and approved by the commission
170.18 as required by paragraph (c). The amendment must be negotiated and executed within
170.19 45 days of May 14, 2013, and must apply to prices paid after January 1, 2014. The
170.20 average price for energy in nominal dollars measured over the term of the power purchase
170.21 agreement must not exceed \$109.20 per megawatt hour. The public utility shall request
170.22 approval of the amendment by the commission within 30 days of execution of the
170.23 amended power purchase agreement. The amendment is not effective until approval
170.24 by the commission. The commission shall act on the amendment within 90 days of
170.25 submission of the request by the public utility. Upon approval of the amended power
170.26 purchase agreement, the commission shall allow the public utility to recover the costs of
170.27 the amended power purchase agreement, as provided in section 216B.1645.

170.28 (f) With respect to the power purchase agreement described in paragraph (b), and
170.29 amended and approved by the commission pursuant to paragraphs (c) and (e), upon
170.30 request by the project owner, the public utility shall agree to amend the power purchase
170.31 agreement to include a fuel cost adjustment clause which requires the public utility to
170.32 reimburse the project owner monthly for all costs incurred by the project owner during
170.33 the applicable month to procure and transport all fuel used to produce energy for delivery
170.34 to the public utility pursuant to the power purchase agreement to the extent such costs
170.35 exceeded \$3.40 per million metric British thermal unit (MMBTU), in addition to the price
170.36 to be paid for the energy produced and delivered by the project owner. Reimbursable

171.1 costs include but are not limited to: (1) all costs incurred to load fuel at its source; (2)
171.2 costs to transport fuel (i) to the biomass-fueled generating facilities or to an intermediate
171.3 woodyard, storage facility, or handling facility, or (ii) from a facility to the biomass-fueled
171.4 generating facilities; (3) depreciation of any depreciable loading, woodyard, storage,
171.5 handling, or transportation equipment whether the vehicle or equipment is located at the
171.6 fuel source, a woodyard, storage facility, handling facility, or at the generating facilities;
171.7 and (4) costs to unload fuel at the generating facilities. Beginning with 2014, at the end of
171.8 each calendar year of the term of the power purchase agreement, the project owner shall
171.9 calculate the amount by which actual fuel costs for the year exceeded \$3.40 per MMBTU,
171.10 and prior monthly payment for such fuel costs shall be reconciled against actual fuel costs
171.11 for the applicable calendar year. If such prior monthly fuel payments for the year in the
171.12 aggregate exceed the amount due based on the annual calculation, the project owner shall
171.13 credit the public utility for the excess paid. If the annual calculation of fuel costs due
171.14 exceeds the prior monthly fuel payments for the year in the aggregate, the project owner
171.15 shall be entitled to be paid for the deficiency with the next invoice to the public utility.
171.16 The amendment shall be negotiated and executed within 45 days of May 13, 2013, and
171.17 shall be effective for fuel costs incurred and prices after January 1, 2014. The public
171.18 utility shall request approval of the amendment by the commission, and the commission
171.19 shall approve the amendment as reasonable and in the public interest and allow the public
171.20 utility to recover from its Minnesota retail customers the amounts paid by the public utility
171.21 to the project owner pursuant to the power purchase agreement during the full term of
171.22 the power purchase agreement, including the reimbursement of fuel costs pursuant to the
171.23 power purchase agreement amendment, reimbursable costs as provided in this paragraph,
171.24 pursuant to section 216B.1645, or otherwise.

171.25 (g) With respect to the power purchase agreement described in paragraph (b) and
171.26 approved by the commission pursuant to paragraphs (c) and (e), the public utility is
171.27 prohibited from recovering from the project owner any costs which were not actually and
171.28 reasonably incurred by the utility, notwithstanding any provision in the power purchase
171.29 agreement to the contrary. In addition, beginning with 2012, the public utility shall pay for
171.30 all energy delivered by the project owner pursuant to the power purchase agreement at
171.31 the full price for such energy in the power purchase agreement approved and amended
171.32 pursuant to paragraph (e), provided that the project owner does not deliver more than
171.33 110 percent of the amount scheduled for delivery in any year of the power purchase
171.34 agreement, and does not deliver, on average over any five consecutive years of the power
171.35 purchase agreement, an amount greater than 105 percent of the amount scheduled for
171.36 delivery over the five-year period.

172.1 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2014.

172.2 Sec. 10. Minnesota Statutes 2014, section 216B.62, subdivision 2, is amended to read:

172.3 Subd. 2. **Assessing specific utility.** Whenever the commission or department, in a
172.4 proceeding upon its own motion, on complaint, or upon an application to it, shall deem it
172.5 necessary, in order to carry out the duties imposed under this chapter (1) to investigate the
172.6 books, accounts, practices, and activities of, or make appraisals of the property of, any
172.7 public utility, (2) to render any engineering or accounting services to any public utility, or
172.8 (3) to intervene before an energy regulatory agency, the public utility shall pay the expenses
172.9 reasonably attributable to the investigation, appraisal, service, or intervention. The
172.10 commission and department shall ascertain the expenses, and the department shall render
172.11 a bill therefor to the public utility, either at the conclusion of the investigation, appraisal,
172.12 or services, or from time to time during its progress, which bill shall constitute notice of
172.13 the assessment and a demand for payment. The amount of the bills so rendered by the
172.14 department shall be paid by the public utility into the state treasury within 30 days from the
172.15 date of rendition. The total amount, in any one calendar year, for which any public utility
172.16 shall become liable, by reason of costs incurred by the commission within that calendar
172.17 year, shall not exceed two-fifths of one percent of the gross operating revenue from retail
172.18 sales of gas, or electric service by the public utility within the state in the last preceding
172.19 calendar year. Where, pursuant to this subdivision, costs are incurred within any calendar
172.20 year which are in excess of two-fifths of one percent of the gross operating revenues, the
172.21 excess costs shall not be chargeable as part of the remainder under subdivision 3, but shall
172.22 be paid out of the general appropriation or special revenue fund to the department and
172.23 commission. In the case of public utilities offering more than one public utility service
172.24 only the gross operating revenues from the public utility service in connection with which
172.25 the investigation is being conducted shall be considered when determining this limitation.

172.26 Sec. 11. Minnesota Statutes 2014, section 216B.62, is amended by adding a subdivision
172.27 to read:

172.28 Subd. 9. **Utility assessment account; appropriation.** The utility assessment
172.29 account is created as a separate account in the special revenue fund in the state treasury.
172.30 Funds received by the department for the assessment of costs related to the energy
172.31 planning and advocacy unit under subdivisions 2 and 3 must be deposited into this
172.32 account and are annually appropriated to the commissioner of commerce. Earnings,
172.33 such as interest, dividends, and any other earnings arising from account assets, must be
172.34 credited to the account. Assessments dated June 1, 2016, or later will be paid into the

173.1 utility assessment account. The amount assessed under this subdivision may not exceed
 173.2 \$3,000,000 in a fiscal year.

173.3 Sec. 12. Minnesota Statutes 2014, section 297H.13, subdivision 2, is amended to read:

173.4 Subd. 2. **Allocation of revenues.** (a) ~~\$33,760,000, or 70 percent, whichever is~~
 173.5 ~~greater,~~ Of the amounts remitted under this chapter, 75 percent in fiscal years 2017
 173.6 and 2018, and 80 percent in fiscal year 2019 and thereafter, must be credited to the
 173.7 environmental fund established in section 16A.531, subdivision 1.

173.8 (b) The remainder must be deposited into the general fund.

173.9 Sec. 13. Minnesota Statutes 2014, section 473.845, subdivision 1, is amended to read:

173.10 Subdivision 1. **Establishment.** The metropolitan landfill contingency action trust
 173.11 account is an expendable trust account in the remediation fund. The account consists
 173.12 of revenue deposited in the account under section 473.843, subdivision 2, clause (2);
 173.13 amounts recovered under subdivision 7; and interest earned on investment of money in
 173.14 the account. The account must be managed to maximize long-term gain through the
 173.15 State Board of Investment.

173.16 Sec. 14. Laws 2014, chapter 198, article 2, section 2, the effective date, is amended to
 173.17 read:

173.18 **EFFECTIVE DATE; APPLICATION.** This section is effective ~~July 1, 2015~~
 173.19 January 1, 2016, and applies to applications for reimbursement on or after that date.

173.20 **EFFECTIVE DATE.** This section is effective retroactively from May 5, 2014.

173.21 Sec. 15. Laws 2015, First Special Session chapter 1, article 1, section 8, subdivision 1,
 173.22 is amended to read:

173.23			34,073,000
173.24	Subdivision 1. Total Appropriation	\$ 34,003,000	\$ <u>32,073,000</u>

173.25	Appropriations by Fund		
173.26		2016	2017
173.27			31,030,000
173.28	General	30,960,000	<u>29,030,000</u>
173.29	Special Revenue	1,240,000	1,240,000
173.30	Petroleum Tank	1,052,000	1,052,000
173.31	Workers'		
173.32	Compensation	751,000	751,000

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

174.4 Sec. 16. Laws 2015, First Special Session chapter 1, article 1, section 8, subdivision 7,
 174.5 is amended to read:

174.6			3,845,000
174.7	Subd. 7. Energy Resources	3,848,000	<u>1,845,000</u>

174.8 \$150,000 each year is for grants to
 174.9 providers of low-income weatherization
 174.10 services to install renewable energy
 174.11 equipment in households that are eligible for
 174.12 weatherization assistance under Minnesota's
 174.13 weatherization assistance program state
 174.14 plan as provided for in Minnesota Statutes,
 174.15 section 216C.264.

174.16 \$424,000 in fiscal year 2016 and \$430,000
 174.17 in fiscal year 2017 are for costs associated
 174.18 with competitive rates for energy-intensive,
 174.19 trade-exposed electric utility customers.

174.20 All general fund appropriations for costs
 174.21 associated with competitive rates for
 174.22 energy-intensive, trade-exposed electric
 174.23 utility customers are recovered through
 174.24 assessments under Minnesota Statutes,
 174.25 section 216B.62.

174.26 Sec. 17. Laws 2015, First Special Session chapter 1, article 1, section 9, is amended to
 174.27 read:

174.28		6,966,000	6,930,000
174.29	Sec. 9. PUBLIC UTILITIES COMMISSION \$	<u>7,191,000</u> \$	<u>7,587,000</u>

174.30 The general fund base for the Public Utilities
 174.31 Commission is \$7,465,000 in fiscal year
 174.32 2018 and \$7,465,000 in fiscal year 2019.

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

175.1 Sec. 18. Laws 2015, First Special Session chapter 4, article 3, section 2, subdivision 4,
 175.2 is amended to read:

175.3 Subd. 4. **Land** 21,663,000 18,584,000

175.4	Appropriations by Fund		
175.5		2016	2017
175.6	General	3,368,000	-0-
175.7	Environmental	7,031,000	7,150,000
175.8	Remediation	11,264,000	11,434,000

175.9 All money for environmental response,
 175.10 compensation, and compliance in the
 175.11 remediation fund not otherwise appropriated
 175.12 is appropriated to the commissioners of the
 175.13 Pollution Control Agency and agriculture
 175.14 for purposes of Minnesota Statutes, section
 175.15 115B.20, subdivision 2, clauses (1), (2),
 175.16 (3), (6), and (7). At the beginning of each
 175.17 fiscal year, the two commissioners shall
 175.18 jointly submit an annual spending plan
 175.19 to the commissioner of management and
 175.20 budget that maximizes the utilization of
 175.21 resources and appropriately allocates the
 175.22 money between the two departments. This
 175.23 appropriation is available until June 30, 2017.

175.24 \$4,279,000 the first year and \$4,343,000 the
 175.25 second year are from the remediation fund
 175.26 for purposes of the leaking underground
 175.27 storage tank program to investigate, clean up,
 175.28 and prevent future releases from underground
 175.29 petroleum storage tanks, and to the petroleum
 175.30 remediation program for purposes of vapor
 175.31 assessment and remediation. These same
 175.32 annual amounts are transferred from the
 175.33 petroleum tank fund to the remediation fund.

175.34 \$252,000 the first year and \$252,000 the
 175.35 second year are from the remediation fund
 175.36 for transfer to the commissioner of health for

176.1 private water supply monitoring and health
176.2 assessment costs in areas contaminated
176.3 by unpermitted mixed municipal solid
176.4 waste disposal facilities and drinking water
176.5 advisories and public information activities
176.6 for areas contaminated by hazardous releases.

176.7 \$868,000 the first year is from the general
176.8 fund for a grant to the city of Mountain Iron
176.9 for remediation of the abandoned wastewater
176.10 treatment pond of the former Nichols
176.11 Township. This is a onetime appropriation
176.12 that is available until June 30, 2019. This
176.13 appropriation is effective December 1, 2015.

176.14 Up to \$2,500,000 the first year is from the
176.15 general fund to the commissioner for a grant
176.16 to the city of Paynesville to add a treatment
176.17 process to a water treatment plant for removal
176.18 of volatile organic compounds. This is a
176.19 onetime appropriation. This appropriation is
176.20 effective December 1, 2015.

176.21 \$743,000 the second year is transferred
176.22 from the general fund to the dry cleaner
176.23 environmental response and reimbursement
176.24 account in the remediation fund for the
176.25 purpose of remediating land contaminated
176.26 by a release from a dry cleaning facility,
176.27 as provided under Minnesota Statutes,
176.28 section 115B.50, ~~if legislation is enacted in~~
176.29 ~~the 2016 legislative session to address the~~
176.30 ~~insolvency of the dry cleaner environmental~~
176.31 ~~response and reimbursement account. The~~
176.32 ~~commissioner shall prioritize expenditures~~
176.33 ~~from this transfer to address contaminated~~
176.34 ~~sites that pose the greatest risk to public~~
176.35 ~~health or welfare or to the environment, as~~

177.1 ~~established in Minnesota Statutes, section~~
177.2 ~~115B.17, subdivision 13.~~ This is a onetime
177.3 transfer. The commissioner shall reimburse
177.4 only a person who otherwise would not be
177.5 responsible for a release or threatened release
177.6 under Minnesota Statutes, section 115B.03,
177.7 for all but \$10,000 of the environmental
177.8 response costs incurred by the person if the
177.9 commissioner determines that the costs are
177.10 reasonable and were actually incurred. To be
177.11 eligible for reimbursement from this transfer,
177.12 a person seeking reimbursement must make
177.13 a request to the commissioner, as required
177.14 under Minnesota Statutes, section 115B.50,
177.15 subdivision 2, on or before the day following
177.16 final enactment of this act.

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

177.18 Sec. 19. **FEASIBILITY STUDY AND PROGRAM PLAN; WORKING LANDS**
177.19 **WATERSHED RESTORATION PROGRAM.**

177.20 (a) The Board of Water and Soil Resources shall develop a detailed plan to
177.21 implement Minnesota Statutes, section 103F.519 that includes the following:

177.22 (1) a process for selecting pilot watersheds that are expected to result in the greatest
177.23 water quality improvements and exhibit readiness to participate in the program;

177.24 (2) an assessment of the quantity of agricultural land that is expected to be eligible
177.25 for the program in each watershed;

177.26 (3) an assessment of landowner interest in participating in the program;

177.27 (4) an assessment of the contract terms and any recommendations for changes to the
177.28 terms, including consideration of variable payment rates for lands of different priority or
177.29 type;

177.30 (5) an assessment of the opportunity to leverage federal funds through the program
177.31 and recommendations on how to maximize the use of federal funds for assistance to
177.32 establish perennial crops;

177.33 (6) an assessment of how other state programs could complement the program;

177.34 (7) an estimate of water quality improvements expected to result from
177.35 implementation in pilot watersheds;

178.1 (8) an assessment of how to best integrate program implementation with existing
178.2 conservation requirements and develop recommendations on harvest practices and timing
178.3 to benefit wildlife production;

178.4 (9) an assessment of the potential viability and water quality benefit of cover crops
178.5 used in biomass processing facilities;

178.6 (10) a timeline for implementation, coordinated to the extent possible with proposed
178.7 biomass processing facilities; and

178.8 (11) a projection of funding sources needed to complete implementation.

178.9 (b) The board shall coordinate development of the plan with stakeholders and the
178.10 commissioners of natural resources, agriculture, and the Pollution Control Agency. The
178.11 board must submit an interim report by October 15, 2017, and the feasibility study and
178.12 program plan by February 1, 2018, to the chairs and ranking minority members of the
178.13 legislative committees and divisions with jurisdiction over agriculture, natural resources,
178.14 and environment policy and finance and to the Clean Water Council.

178.15 **Sec. 20. RULEMAKING; DRY CLEANER RESPONSE AND**
178.16 **REIMBURSEMENT ACCOUNT.**

178.17 (a) The commissioner of the Pollution Control Agency shall adopt rules using
178.18 the expedited rulemaking process under Minnesota Statutes, section 14.389, including
178.19 subdivision 5, to establish, with respect to Minnesota Statutes, section 115B.50,
178.20 subdivision 2:

178.21 (1) what environmental response costs are to be considered reasonable costs and
178.22 what costs are to be considered ineligible for reimbursement;

178.23 (2) appropriate application requirements for reimbursement; and

178.24 (3) a process to adjust payment reimbursement rates made for response actions.

178.25 (b) Rules adopted under this section:

178.26 (1) must be consistent with Minnesota Statutes, sections 115B.47 to 115B.51;

178.27 (2) must be structured like rules governing applicable provisions of the petroleum
178.28 tank response cleanup fund under Minnesota Rules, chapter 2890, as necessary to
178.29 implement paragraph (a), clauses (1) to (3); and

178.30 (3) must not reduce reimbursements as contained in Minnesota Rules, part
178.31 2890.0065, subpart 1, item C.

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

178.33 **Sec. 21. REPEALER.**

178.34 Minnesota Statutes 2015 Supplement, section 115B.48, subdivision 9, is repealed.

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

179.2 **ARTICLE 8**

179.3 **STATE GOVERNMENT**

179.4 Section 1. **APPROPRIATIONS.**

179.5 The sums shown in the columns marked "Appropriations" are added to the
179.6 appropriations in Laws 2015, chapter 77, article 1, to the agencies and for the purposes
179.7 specified in this article. The appropriations are from the general fund or another named
179.8 fund. The figures "2016" and "2017" used in this article mean that the addition to the
179.9 appropriation listed under them are available for the fiscal year ending June 30, 2016, or
179.10 June 30, 2017, respectively. Supplemental appropriations for the fiscal year ending June
179.11 30, 2016, are effective the day following final enactment.

179.12		<u>APPROPRIATIONS</u>	
179.13		<u>Available for the Year</u>	
179.14		<u>Ending June 30</u>	
179.15		<u>2016</u>	<u>2017</u>

179.16 Sec. 2. **ADMINISTRATION**

179.17	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>528,000</u>
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179.18	<u>Subd. 2. Government and Citizen Services -</u>				
179.19	<u>Olmstead Plan Increased Capacity</u>		<u>-0-</u>		<u>148,000</u>

179.20 For administrative costs to expand services
179.21 provided under the Olmstead Plan serving
179.22 people with disabilities.

179.23	<u>Subd. 3. Government and Citizen Services</u>				
179.24	<u>- Targeted Group and Veterans Business</u>				
179.25	<u>Preference Program</u>		<u>-0-</u>		<u>20,000</u>

179.26 For implementing the preference program
179.27 in Minnesota Statutes, section 16C.165,
179.28 subdivisions 2, 3, and 4, for businesses that
179.29 are not small, but otherwise are eligible
179.30 for preference as a designated business
179.31 under Minnesota Statutes, section 16C.16,
179.32 subdivision 5, or as a veteran-owned
179.33 business under Minnesota Statutes, section

180.1	<u>16C.16, subdivision 6a. This is a onetime</u>		
180.2	<u>appropriation.</u>		
180.3	<u>Subd. 4. Strategic Management Services -</u>		
180.4	<u>Capitol Complex Child Care Facility</u>	<u>-0-</u>	<u>300,000</u>
180.5	<u>To predesign a child care facility on the</u>		
180.6	<u>Capitol complex. \$150,000 is added to the</u>		
180.7	<u>base appropriation beginning in fiscal year</u>		
180.8	<u>2018 and continuing in each fiscal year</u>		
180.9	<u>thereafter for operating the child care facility.</u>		
180.10	<u>Subd. 5. Fiscal Agent - Capitol Workers</u>		
180.11	<u>Memorial Plaque</u>	<u>-0-</u>	<u>10,000</u>
180.12	<u>To design, construct, and install the plaque</u>		
180.13	<u>or marker authorized in section 28 to honor</u>		
180.14	<u>those who constructed and died during the</u>		
180.15	<u>building of the Capitol, as well as those who</u>		
180.16	<u>worked on subsequent projects to preserve</u>		
180.17	<u>the building. This amount may be expended</u>		
180.18	<u>in either year of the biennium. This is a</u>		
180.19	<u>onetime appropriation.</u>		
180.20	<u>Subd. 6. Fiscal Agent - Veterans' Voices</u>	<u>-0-</u>	<u>50,000</u>
180.21	<u>For a grant to the Association of Minnesota</u>		
180.22	<u>Public Educational Radio Stations for</u>		
180.23	<u>statewide programming to promote the</u>		
180.24	<u>Veterans' Voices program. This is a onetime</u>		
180.25	<u>appropriation.</u>		
180.26	<u>Sec. 3. MN.IT SERVICES</u>	<u>\$</u>	<u>-0- \$</u> <u>5,000,000</u>
180.27	<u>To enhance cybersecurity across state</u>		
180.28	<u>government and is available until June 30,</u>		
180.29	<u>2019. \$47,000 of this appropriation is for</u>		
180.30	<u>information technology enhancements for the</u>		
180.31	<u>Gambling Control Board. This is a onetime</u>		
180.32	<u>appropriation.</u>		
180.33	<u>Sec. 4. MINNESOTA MANAGEMENT AND</u>		
180.34	<u>BUDGET</u>	<u>\$</u>	<u>-0- \$</u> <u>2,500,000</u>

181.1	<u>For statewide information technology</u>			
181.2	<u>systems and is available until June 30, 2018.</u>			
181.3	<u>This is a onetime appropriation.</u>			
181.4	Sec. 5. <u>REVENUE</u>	\$	<u>-0-</u> \$	<u>1,871,000</u>
181.5	<u>Tax System Management.</u> \$500,000 is for			
181.6	<u>tax refund fraud protection software and</u>			
181.7	<u>services.</u>			
181.8	<u>\$1,371,000 is for (1) communication and</u>			
181.9	<u>outreach; and (2) technology, audit, and</u>			
181.10	<u>fraud staff.</u>			
181.11	<u>\$2,125,000 is added to the base in fiscal year</u>			
181.12	<u>2018 and \$2,125,000 in fiscal year 2019.</u>			
181.13	Sec. 6. <u>AMATEUR SPORTS COMMISSION</u>			
181.14	Subdivision 1. <u>Total Appropriation</u>	\$	<u>-0-</u> \$	<u>16,000,000</u>
181.15	Subd. 2. <u>Mighty Ducks</u>		<u>-0-</u>	<u>15,000,000</u>
181.16	<u>For the purposes of making grants under</u>			
181.17	<u>Minnesota Statutes, section 240A.09,</u>			
181.18	<u>paragraph (b). This appropriation is a</u>			
181.19	<u>onetime appropriation and is added to the</u>			
181.20	<u>appropriations in Laws 2015, chapter 77,</u>			
181.21	<u>article 1, section 18, and Laws 2015, First</u>			
181.22	<u>Special Session chapter 5, article 1, section 9.</u>			
181.23	Subd. 3. <u>Red Wing Ski Jump</u>		<u>-0-</u>	<u>1,000,000</u>
181.24	<u>For a grant to the city of Red Wing for</u>			
181.25	<u>construction of a ski jump that meets</u>			
181.26	<u>standards for an Olympic training or</u>			
181.27	<u>qualifying jump. This is a onetime</u>			
181.28	<u>appropriation. This appropriation is not</u>			
181.29	<u>available until \$3,000,000 is committed from</u>			
181.30	<u>nonstate sources.</u>			
181.31	Sec. 7. <u>HUMANITIES CENTER</u>	\$	<u>-0-</u> \$	<u>95,000</u>

183.1	<u>For security upgrades. This is a onetime</u>		
183.2	<u>appropriation.</u>		
183.3	<u>Subd. 3. Security Improvement - General</u>		
183.4	<u>Support</u>	<u>-0-</u>	<u>248,000</u>
183.5	<u>For payroll costs and contracted costs of</u>		
183.6	<u>training and testing to provide security at</u>		
183.7	<u>state-owned Minnesota National Guard</u>		
183.8	<u>facilities.</u>		
183.9	Sec. 11. <u>VETERANS AFFAIRS</u>		
183.10	<u>Subdivision 1. Total Appropriation</u>	<u>\$ -0-</u>	<u>\$ 488,000</u>
183.11	<u>Subd. 2. Veterans Homes Domiciliary Increase</u>	<u>-0-</u>	<u>88,000</u>
183.12	<u>To increase the personal needs allowance</u>		
183.13	<u>for residents of veterans homes. \$110,000</u>		
183.14	<u>is added to the base in fiscal year 2018 and</u>		
183.15	<u>\$114,000 is added to the base in fiscal year</u>		
183.16	<u>2019.</u>		
183.17	<u>Subd. 3. Mental Health Study</u>	<u>-0-</u>	<u>150,000</u>
183.18	<u>For the study and report in section 26. This</u>		
183.19	<u>is a onetime appropriation.</u>		
183.20	<u>Subd. 4. Disabled Veterans Interim Housing</u>		
183.21	<u>Study</u>	<u>-0-</u>	<u>250,000</u>
183.22	<u>For the study and report in section 27. This</u>		
183.23	<u>is a onetime appropriation.</u>		
183.24	<u>Subd. 5. Veterans Homes - Montevideo and</u>		
183.25	<u>Bemidji</u>	<u>-0-</u>	<u>-0-</u>
183.26	<u>The fiscal year 2018 and fiscal year 2019</u>		
183.27	<u>general fund base appropriation for veterans</u>		
183.28	<u>homes is increased by \$10,000,000 each</u>		
183.29	<u>fiscal year. This increase is for the operating</u>		
183.30	<u>costs of 143 skilled nursing beds added</u>		
183.31	<u>after July 1, 2016, in one or more veteran</u>		
183.32	<u>homes, including Montevideo and Bemidji.</u>		
183.33	<u>None of this increased amount may be used</u>		

184.1 for operating costs at a veterans home in
184.2 Minneapolis.

184.3 Sec. 12. Minnesota Statutes 2014, section 16B.33, subdivision 3, is amended to read:

184.4 Subd. 3. **Agencies must request designer.** (a) **Application.** Upon undertaking a
184.5 project with an estimated cost greater than ~~\$2,000,000~~ \$10,000,000 or a planning project
184.6 with estimated fees greater than ~~\$200,000~~ \$1,000,000, every user agency, except the
184.7 Capitol Area Architectural and Planning Board, shall submit a written request for a
184.8 primary designer for its project to the commissioner, who shall forward the request to the
184.9 board. The University of Minnesota and the Minnesota State Colleges and Universities
184.10 shall follow the process in subdivision 3a to select designers for their projects. The written
184.11 request must include a description of the project, the estimated cost of completing the
184.12 project, a description of any special requirements or unique features of the proposed
184.13 project, and other information which will assist the board in carrying out its duties and
184.14 responsibilities set forth in this section.

184.15 (b) **Reactivated project.** If a project for which a designer has been selected by the
184.16 board becomes inactive, lapses, or changes as a result of project phasing, insufficient
184.17 appropriations, or other reasons, the commissioner, the Minnesota State Colleges and
184.18 Universities, or the University of Minnesota may, if the project is reactivated, retain
184.19 the same designer to complete the project.

184.20 (c) **Fee limit reached after designer selected.** If a project initially estimated to
184.21 be below the cost and planning fee limits of this subdivision has its cost or planning
184.22 fees revised so that the limits are exceeded, the project must be referred to the board for
184.23 designer selection even if a primary designer has already been selected. In this event, the
184.24 board may, without conducting interviews, elect to retain the previously selected designer
184.25 if it determines that the interests of the state are best served by that decision and shall
184.26 notify the commissioner of its determination.

184.27 Sec. 13. Minnesota Statutes 2014, section 16B.33, subdivision 4, is amended to read:

184.28 Subd. 4. **Designer selection process.** (a) **Publicity.** Upon receipt of a request
184.29 from a user agency for a primary designer, the board shall publicize the proposed
184.30 project in order to determine the identity of designers interested in the design work on
184.31 the project. The board shall establish criteria for the selection process and make this
184.32 information public, and shall compile data on and conduct interviews of designers. The
184.33 board's selection criteria must include consideration of the geographic proximity of each
184.34 interested designer's primary place of business to the location of the project and each

185.1 interested designer's performance on previous projects for the state or any other person.
185.2 Upon completing the process, the board shall select the primary designer and shall state its
185.3 reasons in writing. If the board's vote for the selection of a primary designer results in a tie
185.4 vote, the nonvoting member appointed under subdivision 2, paragraph (b), must vote for
185.5 the selection of the primary designer. Notification to the commissioner of the selection
185.6 shall be made not more than 60 days after receipt from a user agency of a request for a
185.7 primary designer. The commissioner shall promptly notify the designer and the user
185.8 agency. The commissioner shall negotiate the designer's fee and prepare the contract to
185.9 be entered into between the designer and the user agency.

185.10 (b) **Conflict of interest.** A board member may not participate in the review,
185.11 discussion, or selection of a designer or firm in which the member has a financial interest.

185.12 (c) **Selection by commissioner.** In the event the board receives a request for a
185.13 primary designer on a project, the estimated cost of which is less than the limit established
185.14 by subdivision 3, or a planning project with estimated fees of less than the limit established
185.15 by subdivision 3, the board may submit the request to the commissioner of administration,
185.16 with or without recommendations, and the commissioner shall thereupon select the
185.17 primary designer for the project.

185.18 (d) **Second selection.** If the designer selected for a project declines the appointment
185.19 or is unable to reach agreement with the commissioner on the fee or the terms of the
185.20 contract, the commissioner shall, within 60 days after the first appointment, request the
185.21 board to make another selection.

185.22 (e) **Sixty days to select.** If the board fails to make a selection and forward its
185.23 recommendation to the commissioner within 60 days of the user agency's request
185.24 for a designer, the commissioner may appoint a designer to the project without the
185.25 recommendation of the board.

185.26 (f) **Less than satisfactory performance.** The commissioner, or the University of
185.27 Minnesota and the Minnesota State Colleges and Universities for projects under their
185.28 supervision, shall forward to the board a written report describing each instance in which
185.29 the performance of a designer selected by the board or the commissioner has been less
185.30 than satisfactory. Criteria for determining satisfaction include the ability of the designer to
185.31 complete design work on time, to provide a design responsive to program needs within
185.32 the constraints of the budget, to solve design problems and achieve a design consistent
185.33 with the proposed function of the building, to avoid costly design errors or omissions,
185.34 and to observe the construction work. These reports are public data and are available for
185.35 inspection under section 13.03.

186.1 Sec. 14. **[16C.165] PROCUREMENT FROM OTHER TARGETED AND**
186.2 **VETERAN-OWNED BUSINESSES.**

186.3 Subdivision 1. **Designation of eligible groups.** The commissioner may designate
186.4 businesses that are not small but otherwise qualify under section 16C.16, subdivisions 5
186.5 and 6a, as eligible for preferences under this section.

186.6 Subd. 2. **Preference.** The commissioner may award up to a three percent preference
186.7 for specified goods, services, or construction to businesses designated under subdivision 1.

186.8 Subd. 3. **Limitations on preference.** If the application of preference under
186.9 subdivision 2 precludes a business designated under section 16C.16, subdivisions 5 and
186.10 6a, from receiving an award, the preference in subdivision 2 shall not be applied.

186.11 Subd. 4. **Subcontracting incentives and penalties.** The financial incentives for
186.12 prime contractors who exceed the goals for use of small business or small targeted group
186.13 business subcontractors and financial penalties for prime contractors who fail to meet the
186.14 goals for use of small business or small targeted group business subcontractors apply to
186.15 businesses designated under subdivision 1.

186.16 Subd. 5. **Mentoring program.** The commissioner shall collaborate with
186.17 organizations that represent targeted group and veteran-owned businesses to prepare
186.18 recommendations for establishing a targeted group and veteran-owned business mentoring
186.19 program that incentivizes larger businesses to mentor businesses certified under
186.20 subdivision 1 and section 16C.16.

186.21 Sec. 15. Minnesota Statutes 2015 Supplement, section 16C.19, is amended to read:

186.22 **16C.19 ELIGIBILITY; RULES.**

186.23 (a) A small business wishing to participate in the programs under section 16C.16,
186.24 subdivisions 4 to 7, or 16C.165, must be certified by the commissioner or by a nationally
186.25 recognized certifying organization authorized by the commissioner. The commissioner
186.26 shall adopt by rule standards and procedures for certifying that small targeted group
186.27 businesses, small businesses located in economically disadvantaged areas, and
186.28 veteran-owned small businesses are eligible to participate under the requirements of
186.29 sections 16C.16 to 16C.21. The commissioner shall adopt by rule under paragraph (g)
186.30 standards and procedures for certifying that businesses designated under section 16C.165
186.31 are eligible to participate. The commissioner shall adopt by rule standards and procedures
186.32 for hearing appeals and grievances and other rules necessary to carry out the duties set
186.33 forth in sections 16C.16 to 16C.21.

187.1 (b) The commissioner may make rules which exclude or limit the participation of
187.2 nonmanufacturing business, including third-party lessors, brokers, franchises, jobbers,
187.3 manufacturers' representatives, and others from eligibility under sections 16C.16 to 16C.21.

187.4 (c) The commissioner may make rules that set time limits and other eligibility limits
187.5 on business participation in programs under sections 16C.16 to 16C.21.

187.6 (d) Notwithstanding paragraph (a), for purposes of sections 16C.16 to 16C.21, a
187.7 veteran-owned small business, the principal place of business of which is in Minnesota,
187.8 is certified if:

187.9 (1) it has been verified by the United States Department of Veterans Affairs as
187.10 being either a veteran-owned small business or a service-disabled veteran-owned small
187.11 business, in accordance with Public Law 109-461 and Code of Federal Regulations, title
187.12 38, part 74; or

187.13 (2) the veteran-owned small business supplies the commissioner with proof that the
187.14 small business is majority-owned and operated by:

187.15 (i) a veteran as defined in section 197.447; or

187.16 (ii) a veteran with a service-connected disability, as determined at any time by the
187.17 United States Department of Veterans Affairs.

187.18 (e) Until rules are adopted pursuant to paragraph (a) for the purpose of certifying
187.19 veteran-owned small businesses, the provisions of Minnesota Rules, part 1230.1700, may
187.20 be read to include veteran-owned small businesses. In addition to the documentation
187.21 required in Minnesota Rules, part 1230.1700, the veteran owner must have been
187.22 discharged under honorable conditions from active service, as indicated by the veteran
187.23 owner's most current United States Department of Defense form DD-214.

187.24 (f) Notwithstanding paragraph (a), for purposes of sections 16C.16 to 16C.21, a
187.25 minority- or woman-owned small business, the principal place of business of which is
187.26 in Minnesota, is certified if it has been certified by the Minnesota unified certification
187.27 program under the provisions of Code of Federal Regulations, title 49, part 26.

187.28 (g) The commissioner may adopt rules to implement the programs under section
187.29 16C.16, subdivisions 4 to 7, using the expedited rulemaking process in section 14.389.

187.30 Sec. 16. Minnesota Statutes 2014, section 16E.0466, is amended to read:

187.31 **16E.0466 STATE AGENCY TECHNOLOGY PROJECTS.**

187.32 (a) Every state agency with an information or telecommunications project must
187.33 consult with the Office of MN.IT Services to determine the information technology cost
187.34 of the project. Upon agreement between the commissioner of a particular agency and
187.35 the chief information officer, the agency must transfer the information technology cost

188.1 portion of the project to the Office of MN.IT Services. Service level agreements must
188.2 document all project-related transfers under this section. Those agencies specified in
188.3 section 16E.016, paragraph (d), are exempt from the requirements of this section.

188.4 (b) Notwithstanding section 16A.28, subdivision 3, any unexpended operating
188.5 balance appropriated to a state agency may be transferred to the information and
188.6 telecommunications technology systems and services account for the information
188.7 technology cost of a specific project, subject to the review of the Legislative Advisory
188.8 Commission, under section 16E.21, subdivision 3.

188.9 Sec. 17. Minnesota Statutes 2014, section 16E.21, subdivision 2, is amended to read:

188.10 Subd. 2. **Charges.** Upon agreement of the participating agency, the Office of
188.11 MN.IT Services may collect a charge or receive a fund transfer under section 16E.0466
188.12 for purchases of information and telecommunications technology systems and services
188.13 by state agencies and other governmental entities through state contracts for purposes
188.14 described in subdivision 1. Charges collected under this section must be credited to the
188.15 information and telecommunications technology systems and services account.

188.16 Sec. 18. Minnesota Statutes 2014, section 16E.21, is amended by adding a subdivision
188.17 to read:

188.18 Subd. 3. **Legislative Advisory Commission review.** (a) No funds may be
188.19 transferred to the information and telecommunications technology systems and services
188.20 account under subdivision 2 or section 16E.0466 until the commissioner of management
188.21 and budget has submitted the proposed transfer to the members of the Legislative
188.22 Advisory Commission for review and recommendation. If the commission makes a
188.23 positive recommendation or no recommendation, or if the commission has not reviewed
188.24 the request within 20 days after the date the request to transfer funds was submitted,
188.25 the commissioner of management and budget may approve the request to transfer the
188.26 funds. If the commission recommends further review of a request to transfer funds, the
188.27 commissioner shall provide additional information to the commission. If the commission
188.28 makes a negative recommendation on the request within ten days of receiving further
188.29 information, the commissioner shall not approve the fund transfer. If the commission
188.30 makes a positive recommendation or no recommendation within ten days of receiving
188.31 further information, the commissioner may approve the fund transfer.

188.32 (b) A recommendation of the commission must be made at a meeting of the
188.33 commission unless a written recommendation is signed by all members entitled to vote on

189.1 the item as specified in section 3.30, subdivision 2. A recommendation of the commission
189.2 must be made by a majority of the commission.

189.3 Sec. 19. Minnesota Statutes 2014, section 16E.21, is amended by adding a subdivision
189.4 to read:

189.5 Subd. 4. **Lapse.** Any portion of any receipt credited to the information and
189.6 telecommunications technology systems and services account from a fund transfer under
189.7 subdivision 2 that remains unexpended and unencumbered at the close of the fiscal year
189.8 four years after the funds were received in the account shall lapse to the fund from which
189.9 the receipt was transferred.

189.10 Sec. 20. Minnesota Statutes 2014, section 16E.21, is amended by adding a subdivision
189.11 to read:

189.12 Subd. 5. **Report.** The chief information officer shall report by September 15 of
189.13 each odd-numbered year to the chairs and ranking minority members of the legislative
189.14 committees and divisions with jurisdiction over the office regarding the receipts credited
189.15 to the account. The report must include a description of projects funded through the
189.16 information and telecommunications technology systems and services account and each
189.17 project's current status.

189.18 Sec. 21. Minnesota Statutes 2014, section 198.03, subdivision 2, is amended to read:

189.19 Subd. 2. **Cost of care.** (a) The commissioner shall set out in rules the method of
189.20 calculating the average cost of care for the domiciliary and nursing care residents. The cost
189.21 must be determined yearly based upon the average cost per resident taking into account,
189.22 but not limited to, administrative cost of the homes, the cost of service available to the
189.23 resident, and food and lodging costs. These average costs must be calculated separately for
189.24 domiciliary and nursing care residents. The amount charged each resident for maintenance,
189.25 if anything, must be based on the appropriate average cost of care calculation and the
189.26 assets and income of the resident but must not exceed the appropriate average cost of care.

189.27 (b) Using the authority granted in section 198.03, the commissioner shall set out
189.28 in rules the method of calculating each domiciliary resident's maintenance charge. This
189.29 maintenance charge shall establish a personal needs allowance based on each domiciliary
189.30 resident's monthly income. For the period of July 1, 2016, to June 30, 2017, the personal
189.31 needs allowance shall not be less than \$122 per month. For the period of July 1, 2017,
189.32 to June 30, 2018, the personal needs allowance shall not be less than \$130 per month.
189.33 Thereafter, the minimum personal needs allowance must be adjusted by multiplying

190.1 the allowance by one-half of the percentage change of the Consumer Price Index on
 190.2 the first day of each fiscal year.

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

190.4 Sec. 22. Minnesota Statutes 2014, section 198.03, subdivision 3, is amended to read:

190.5 Subd. 3. **Arrearages.** Residents are liable for paying all of their overdue
 190.6 maintenance charges. Overdue maintenance charges incurred after May 1, 1990, may be
 190.7 charged interest according to section 334.01. A resident owing overdue maintenance to
 190.8 the state of Minnesota ~~for charges incurred prior to May 1, 1990,~~ may continue to stay in
 190.9 the home if the resident enters into an agreement, including a payment schedule, with the
 190.10 administrator for the payment of the arrearage and abides by the agreement. Residents
 190.11 who do not promptly pay maintenance or who do not abide by their agreements to pay
 190.12 overdue maintenance to the state of Minnesota may be discharged from the home. The
 190.13 payment schedule agreed to between the administrator and the resident must provide for
 190.14 the prompt payment of the overdue maintenance owed by the resident, but it must not
 190.15 reduce the resident's personal needs allowance below ~~that which is provided for in the~~
 190.16 ~~administrative rules of the facility~~ the amounts specified in subdivision 2.

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

190.18 Sec. 23. **[198.365] VETERANS HOMES; MONTEVIDEO AND BEMIDJI.**

190.19 Subdivision 1. **Veterans homes established.** The commissioner of veterans affairs
 190.20 may apply for federal funding and establish in Montevideo and Bemidji veterans homes
 190.21 with up to 143 beds available for eligible veterans and their spouses. The state shall
 190.22 provide the necessary operating costs for the veterans homes in excess of any revenue
 190.23 and federal funding for the homes that may be required to continue the operation of the
 190.24 homes and care for Minnesota veterans.

190.25 Subd. 2. **Nonstate contribution.** The commissioner of administration may accept
 190.26 contributions of land or money from private individuals, businesses, local governments,
 190.27 veterans service organizations, and other nonstate sources for the purpose of providing
 190.28 matching funding when soliciting federal funding for the development of the homes.

190.29 Sec. 24. Laws 2015, chapter 77, article 1, section 3, is amended to read:

190.30 Sec. 3. **GOVERNOR AND LIEUTENANT**

190.31 **GOVERNOR** \$ 3,615,000 \$ 3,616,000

191.1 (a) This appropriation is to fund the Office of
191.2 the Governor and Lieutenant Governor.

191.3 (b) Up to \$19,000 the first year and up to
191.4 \$19,000 the second year are for necessary
191.5 expenses in the normal performance of
191.6 the Governor's and Lieutenant Governor's
191.7 duties for which no other reimbursement is
191.8 provided.

191.9 (c) During the biennium ending June 30,
191.10 2017, and thereafter, the Office of the
191.11 Governor may receive payments each fiscal
191.12 year from other executive agencies under
191.13 Minnesota Statutes, section 15.53, to support
191.14 office costs, not including the residence
191.15 groundskeeper, incurred by the office.
191.16 Payments received under this paragraph must
191.17 be deposited in a special revenue account.
191.18 Money in the account is appropriated to the
191.19 Office of the Governor.

191.20 ~~(e)~~ (d) By September 1 of each year, the
191.21 commissioner of management and budget
191.22 shall report to the chairs and ranking minority
191.23 members of the senate State Departments
191.24 and Veterans Affairs Budget Division and the
191.25 house of representatives State Government
191.26 Finance Committee any personnel costs
191.27 incurred by the Offices of the Governor and
191.28 Lieutenant Governor that were supported
191.29 by appropriations to other agencies during
191.30 the previous fiscal year. The Office of the
191.31 Governor shall inform the chairs and ranking
191.32 minority members of the committees before
191.33 initiating any interagency agreements.

192.1 Sec. 25. **ALLOCATING SENATE SPACE IN THE STATE OFFICE BUILDING**
192.2 **TO THE REVISOR OF STATUTES; APPROPRIATION.**

192.3 Subdivision 1. State Office Building space allocation. At the direction of the
192.4 senate minority leader, the 5,000 square feet of the first floor space in the State Office
192.5 Building allocated to the senate in the 2003 space allocation agreement entered into by the
192.6 house of representatives, the senate, and the governor is allocated to the revisor of statutes.

192.7 Subd. 2. Lease cancellation. Within five days of the effective date of this section,
192.8 the commissioner of administration shall give notice to terminate the lease for the space at
192.9 525 Park Avenue, St. Paul, that is occupied by the revisor of statutes. The termination
192.10 shall be effective 30 days after the notice.

192.11 Subd. 3. Cancellation; appropriation. The amount saved in fiscal years 2016
192.12 and 2017, under subdivisions 1 and 2, estimated at \$56,683, by allocating the space in
192.13 the State Office Building to the revisor of statutes is canceled on the effective date of this
192.14 section from the general fund appropriation to the Legislative Coordinating Commission
192.15 in Laws 2015, chapter 77, article 1, section 4. The same amount is appropriated from the
192.16 general fund in fiscal year 2016 to the commissioner of administration to remodel, furnish,
192.17 and equip the space in the State Office Building as needed to accommodate the revisor of
192.18 statutes. This appropriation is available until June 30, 2017.

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

192.20 Sec. 26. **STUDY ON VETERANS' UNMET NEEDS FOR BEHAVIOR AND**
192.21 **MENTAL HEALTH SERVICES.**

192.22 The commissioner of veterans affairs shall perform a study to quantify and describe
192.23 unmet needs amongst Minnesota veterans for behavioral and mental health services. The
192.24 study will include conducting focus groups of stakeholders, including veterans and their
192.25 families, representatives of the United States Veterans Administration, community referral
192.26 centers, and county veteran service officers. The commissioner of veterans affairs may
192.27 contract with a statewide nonprofit organization to conduct the study. The commissioner
192.28 of veterans affairs shall report by February 15, 2017, to the chairs and ranking minority
192.29 members of the committees in the house of representatives and the senate with jurisdiction
192.30 over veterans policy and budget with the findings of the study and with recommendations
192.31 about how current services provided to veterans could be expanded to better meet the
192.32 needs identified by the study.

192.33 Sec. 27. **FEASIBILITY STUDY ON PARTNERSHIPS TO PROVIDE INTERIM**
192.34 **HOUSING FOR DISABLED VETERANS.**

193.1 The commissioner of veterans affairs shall study the feasibility of partnering with
193.2 an established nonprofit organization to provide interim housing for disabled veterans in
193.3 conjunction with fully integrated and customizable support services. The commissioner of
193.4 veterans affairs shall submit a report including its findings and recommendations regarding
193.5 the feasibility of such a partnership to the chairs and ranking minority members of the
193.6 standing committees in the house of representatives and the senate having jurisdiction
193.7 over veterans affairs by February 15, 2017.

193.8 Sec. 28. **PLAQUE OR MARKER AUTHORIZED TO HONOR CAPITOL**
193.9 **CONSTRUCTION WORKERS.**

193.10 (a) A plaque or three-dimensional marker shall be placed in the Capitol building in
193.11 a space easily visible to public visitors to recognize and honor the efforts and sacrifice
193.12 of workers who constructed the State Capitol building, as well as those who worked on
193.13 subsequent projects to preserve the building. The plaque or marker shall specifically honor
193.14 the six workers who died during construction of the State Capitol building. The Capitol
193.15 Area Architectural and Planning Board and the Minnesota Historical Society shall set the
193.16 parameters and location for the memorial plaque or marker.

193.17 (b) The Capitol Area Architectural and Planning Board shall conduct an opportunity
193.18 contest for sixth graders from across the state to submit designs for the memorial plaque
193.19 or marker. The board shall select a design from those submissions to be used as a basis for
193.20 the final production of this plaque or marker by January 1, 2017. The memorial plaque or
193.21 marker shall be installed during the completion of the Capitol remodel.

193.22 Sec. 29. **IMMIGRATION INTEGRATION ADVISORY TASK FORCE.**

193.23 (a) The Immigration Integration Advisory Task Force is created to research state laws
193.24 and rules that negatively affect immigrants. The task force is composed of the following:

193.25 (1) five members appointed by the governor to represent Minnesota's diverse
193.26 immigrant communities;

193.27 (2) two members of the house of representatives, one appointed by the speaker of
193.28 the house and one appointed by the minority leader; and

193.29 (3) two senators, one appointed by the senate majority leader and one appointed by
193.30 the senate minority leader.

193.31 (b) At its first meeting, the task force shall elect a chair and cochair from its
193.32 membership. The commissioner of human rights shall provide meeting space and
193.33 administrative and staff support for the task force.

193.34 (c) The task force shall conduct research and hold meetings to:

194.1 (1) determine the extent to which current state laws and rules negatively affect
 194.2 Minnesotans based on their status as immigrants; and

194.3 (2) develop methods to ensure that future proposed state laws and rules consider
 194.4 the impact of the proposals on immigrants.

194.5 The task force shall consult with the Minnesota Council on Latino Affairs, the Council for
 194.6 Minnesotans of African Heritage, and the Council on Asian-Pacific Minnesotans. The task
 194.7 force shall report to the chairs and ranking minority members of the committees in the
 194.8 house of representatives and the senate with jurisdiction over human rights by January 15,
 194.9 2017, with recommendations and draft legislation for changes in state laws, consistent
 194.10 with federal law, that will reduce the negative impact of state laws on immigrants, and
 194.11 ensure that future state laws and rules consider the impact on immigrants.

194.12 (d) The appointing authorities must make their initial appointments by August 1,
 194.13 2016. The commissioner of human rights shall convene the first meeting of the task
 194.14 force by September 1, 2016.

194.15 (e) Public members shall be compensated and reimbursed for expenses as provided
 194.16 in Minnesota Statutes, section 15.059, subdivision 3.

194.17 (f) The task force shall expire on January 30, 2017, or the day after submitting the
 194.18 report required under paragraph (c), whichever is earlier.

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

194.20 **ARTICLE 9**

194.21 **PUBLIC SAFETY AND CORRECTIONS**

194.22 Section 1. **APPROPRIATIONS.**

194.23 The sums shown in the column under "Appropriations" are added to the
 194.24 appropriations in Laws 2015, chapter 65, article 1, to the agencies and for the purposes
 194.25 specified in this article. The appropriations are from the general fund and are available for
 194.26 the fiscal years indicated for each purpose. The figures "2016" and "2017" used in this
 194.27 article mean that the addition to the appropriation listed under them is available for the fiscal
 194.28 year ending June 30, 2016, or June 30, 2017, respectively. Supplemental appropriations
 194.29 for the fiscal year ending June 30, 2016, are effective the day following final enactment.

194.30		<u>APPROPRIATIONS</u>	
194.31		<u>Available for the Year</u>	
194.32		<u>Ending June 30</u>	
194.33		<u>2016</u>	<u>2017</u>
194.34	Sec. 2. <u>SUPREME COURT</u>	<u>\$</u>	<u>-0-</u> <u>\$</u> <u>5,000,000</u>

196.1 \$2,827,000 in fiscal year 2016 and
196.2 \$8,912,000 in fiscal year 2017 are for
196.3 employee compensation.

196.4 **(b) Challenge Incarceration Expansion**

196.5 \$2,610,000 in fiscal year 2016 and \$2,757,000
196.6 in fiscal year 2017 are to increase capacity
196.7 in the challenge incarceration program. The
196.8 base for this activity is \$3,263,000 in fiscal
196.9 year 2018 and \$3,623,000 in fiscal year 2019.

196.10 **(c) Infectious Disease Management**

196.11 \$3,000,000 in fiscal year 2017 is for
196.12 infectious disease management.

196.13 **(d) 24-Hour Nursing**

196.14 \$1,500,000 in fiscal year 2017 is for 24-hour
196.15 nursing coverage seven days a week at
196.16 MCF-Shakopee, MCF-St. Cloud, MCF-Lino
196.17 Lakes, and MCF-Stillwater.

196.18 **(e) Behavioral and Mental Health**

196.19 \$1,550,000 in fiscal year 2017 is for
196.20 behavioral and mental health therapists and
196.21 increased security staffing at MCF-Oak Park
196.22 Heights.

196.23 **(f) Increased Security Staffing**

196.24 \$1,800,000 in fiscal year 2017 is for increased
196.25 security staffing systemwide.

196.26 **(g) New Chemical Dependency/Mental**

196.27 **Health Beds**

196.28 \$750,000 in fiscal year 2017 is for 70 new
196.29 chemical dependency/mental health beds.

196.30 **(h) Chemical Dependency Release Planner,**

196.31 **MCF-Shakopee**

197.1 \$125,000 in fiscal year 2017 is for a
 197.2 chemical dependency release planner at
 197.3 MCF-Shakopee.

197.4 **(i) Chemical Dependency Release Planner,**
 197.5 **MCF-Stillwater**

197.6 \$125,000 in fiscal year 2017 is for a
 197.7 chemical dependency release planner at
 197.8 MCF-Stillwater.

197.9 **(j) EMPLOY Program Expansion**

197.10 \$375,000 in fiscal year 2017 is to expand
 197.11 the EMPLOY program administered by
 197.12 MINNCOR.

197.13 Subd. 3. Community Services

241,000

4,766,000

197.14 **(a) Employee Compensation**

197.15 \$241,000 in fiscal year 2016 and \$860,000
 197.16 in fiscal year 2017 are for employee
 197.17 compensation.

197.18 **(b) Challenge Incarceration Expansion**

197.19 \$406,000 in fiscal year 2017 is to increase
 197.20 capacity in the challenge incarceration
 197.21 program. The base for this activity is
 197.22 \$812,000 in fiscal year 2018 and \$1,421,000
 197.23 in fiscal year 2019.

197.24 **(c) Victim Notification System**

197.25 \$1,000,000 in fiscal year 2017 is for a
 197.26 victim notification system. This is a onetime
 197.27 appropriation.

197.28 **(d) Reentry and Halfway Houses**

197.29 \$500,000 in fiscal year 2017 is for grants to
 197.30 counties or groups of counties for reentry and
 197.31 halfway house services. Eligible programs
 197.32 must be proven to reduce recidivism. Grant

198.1 recipients must provide a 50 percent nonstate
 198.2 match.

198.3 **(e) High-Risk Revocation Reduction**
 198.4 **Programs**

198.5 \$2,000,000 in fiscal year 2017 is to establish
 198.6 two high-risk revocation reduction programs,
 198.7 one in the metropolitan area and the other
 198.8 in greater Minnesota. Each program shall
 198.9 receive \$1,000,000 to provide sustained case
 198.10 planning, housing assistance, employment
 198.11 assistance, group mentoring, life skills
 198.12 programming, and transportation assistance
 198.13 to adult release violators who are being
 198.14 released from prison.

198.15	<u>Subd. 4. Operations Support</u>	<u>63,000</u>	<u>3,339,000</u>
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198.16 **(a) Employee Compensation**
 198.17 \$63,000 in fiscal year 2016 and \$339,000
 198.18 in fiscal year 2017 are for employee
 198.19 compensation.

198.20 **(b) Information Technology Critical**
 198.21 **Updates**
 198.22 \$3,000,000 in fiscal year 2017 is for
 198.23 information technology upgrades and
 198.24 staffing. The base for this activity is \$783,000
 198.25 in each of fiscal years 2018 and 2019.

198.26	<u>Sec. 7. PUBLIC SAFETY</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>1,567,000</u>
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198.27 The amounts that may be spent for each
 198.28 purpose are specified in the following
 198.29 paragraphs.

198.30 **(a) DNA Lab**
 198.31 \$650,000 is for the Bureau of Criminal
 198.32 Apprehension DNA lab, including the
 198.33 addition of eight forensic scientists. The base

199.1 for this activity is \$1,000,000 in each of the
199.2 fiscal years 2018 and 2019.

199.3 **(b) Missing Person Training**

199.4 \$100,000 is to provide regional and statewide
199.5 training for law enforcement on best practices
199.6 in responding to and investigating missing
199.7 persons reports. This training must include
199.8 information on:

199.9 (1) handling cases involving persons with
199.10 dementia, traumatic brain injury, Alzheimer's
199.11 disease, or other mental disabilities; and

199.12 (2) developing agency policies and
199.13 procedural checklists in missing person
199.14 cases.

199.15 **(c) Assessment of Law Enforcement Needs**

199.16 \$88,000 is for a grant to the Arrowhead
199.17 Regional Development Commission to
199.18 conduct an assessment of law enforcement
199.19 needs for detention facilities in northeast
199.20 Minnesota. This is a onetime appropriation.

199.21 **(d) Children In Need of Services or in**
199.22 **Out-Of-Home Placement**

199.23 \$150,000 is for a grant to an organization
199.24 that provides legal representation to children
199.25 in need of protection or services and children
199.26 in out-of-home placement. The grant is
199.27 contingent upon a match in an equal amount
199.28 from nonstate funds. The match may be
199.29 in kind, including the value of volunteer
199.30 attorney time, or in cash, or in a combination
199.31 of the two.

199.32 **(e) Youth Intervention Programs**

200.1 \$129,000 is for youth intervention programs
200.2 under Minnesota Statutes, section 299A.73.

200.3 This is a onetime appropriation.

200.4 **(f) Mental Health Crisis Training**

200.5 **Curriculum**

200.6 \$150,000 is for grants to organizations
200.7 to develop curriculum, including online
200.8 training, to meet the training requirements
200.9 under section 8. This is a onetime
200.10 appropriation.

200.11 **(g) Autism Training**

200.12 \$50,000 is to select and retain a person or
200.13 entity to train law enforcement, firefighters,
200.14 and EMTs to better respond to emergency
200.15 encounters and crisis situations with
200.16 individuals with autism spectrum disorder
200.17 and to train other individuals or entities
200.18 to conduct this training to create a Cop
200.19 Autism Response Education (CARE) pilot
200.20 program. When selecting a trainer, the
200.21 commissioner shall consider the trainer's
200.22 Peace Officer Standards and Training
200.23 Board qualified training experience, and
200.24 demonstrated knowledge on methods to
200.25 help responders to effectively respond to
200.26 emergency situations involving people
200.27 with autism spectrum disorder and other
200.28 related disabilities. The commissioner shall
200.29 consult with the Peace Officer Standards and
200.30 Training Board and the Minnesota Board of
200.31 Firefighter Training and Education before
200.32 selecting a trainer. By February 15, 2017,
200.33 the commissioner shall report to the chairs
200.34 and ranking minority members of the senate
200.35 and house of representatives committees

201.1 having jurisdiction over criminal justice
201.2 policy and funding on the trainer selected
201.3 and the training conducted pursuant to this
201.4 section, including the number of emergency
201.5 responders trained and the departments they
201.6 represent. This is a onetime appropriation
201.7 and is available until June 30, 2019.

201.8 **(h) Sex Trafficking**

201.9 \$250,000 is for grants to state and local units
201.10 of government for the following purposes:
201.11 (1) to support new or existing
201.12 multijurisdictional entities to investigate sex
201.13 trafficking crimes; and
201.14 (2) to provide technical assistance for
201.15 sex trafficking crimes, including training
201.16 and case consultation, to law enforcement
201.17 agencies statewide.

201.18 Sec. 8. **[626.8473] TRAINING IN RESPONDING TO A MENTAL HEALTH**
201.19 **CRISIS.**

201.20 Subdivision 1. **Training course.** The board, in consultation with the commissioner
201.21 of human services and mental health stakeholders, shall create a list of approved training
201.22 courses to instruct peace officers holding an active license in the techniques of responding
201.23 to a mental health crisis. A course must include instruction on one or more of the
201.24 following issues:

- 201.25 (1) techniques for relating to individuals with mental illnesses and their families;
201.26 (2) techniques for crisis de-escalation;
201.27 (3) techniques for relating to diverse communities and education on mental health
201.28 diversity;
201.29 (4) education on mental illnesses and the criminal justice system;
201.30 (5) education on community resources and supports for individuals experiencing a
201.31 mental health crisis and for their families;
201.32 (6) education on psychotropic medications and their side effects;
201.33 (7) education on co-occurring mental illnesses and substance use disorders;
201.34 (8) education on suicide prevention; and

202.1 (9) education on mental illnesses and disorders and their symptoms.
 202.2 A course also must provide information on local mental health crisis teams in each
 202.3 participating officer's jurisdiction, including a summary of the services offered by the
 202.4 team and its contact information, and must include training on children and families of
 202.5 individuals with mental illnesses to enable officers to respond appropriately to others
 202.6 who are present during a mental health crisis. The board shall update the training list
 202.7 periodically as it deems appropriate.

202.8 Subd. 2. Training requirement. An individual shall complete a minimum of four
 202.9 hours of continuing education training under subdivision 1 over three years.

202.10 EFFECTIVE DATE. This section is effective July 1, 2017.

202.11 **ARTICLE 10**

202.12 **TRANSPORTATION APPROPRIATIONS**

202.13 Section 1. Laws 2015, chapter 75, article 1, section 1, is amended to read:

202.14 Section 1. **SUMMARY OF APPROPRIATIONS.**

202.15 The amounts shown in this section summarize direct appropriations by fund made
 202.16 in this act, and do not have legal effect.

	2016		2017		Total
202.18			135,792,000		275,139,000
202.19	General	\$ 139,347,000	\$ <u>137,488,000</u>	\$	<u>276,835,000</u>
202.20		25,109,000	25,109,000		50,218,000
202.21	Airports	<u>35,368,000</u>	<u>25,922,000</u>		<u>61,290,000</u>
202.22	C.S.A.H.	670,768,000	698,495,000		1,369,263,000
202.23	M.S.A.S.	170,743,000	178,141,000		348,884,000
202.24	Special Revenue	61,475,000	62,210,000		123,685,000
202.25	H.U.T.D.	2,192,000	2,213,000		4,405,000
202.26			1,672,006,000		3,345,714,000
202.27	Trunk Highway	1,673,708,000	<u>1,676,646,000</u>		<u>3,350,354,000</u>
202.28		2,743,342,000	2,773,966,000		5,517,308,000
202.29	Total	\$ <u>2,753,601,000</u>	\$ <u>2,781,115,000</u>	\$	<u>5,534,716,000</u>

202.30 Sec. 2. Laws 2015, chapter 75, article 1, section 3, subdivision 1, is amended to read:

202.31	Subdivision 1. Total Appropriation	\$ 2,488,269,000	\$ <u>2,496,573,000</u>	\$	<u>2,498,912,000</u>
202.32			<u>2,498,528,000</u>		<u>2,498,912,000</u>

202.33 **Appropriations by Fund**

	2016	2017
202.34		21,058,000
202.35		21,058,000
202.36	General	<u>22,444,000</u>

203.1		<u>25,109,000</u>	<u>25,109,000</u>
203.2	Airports	<u>35,368,000</u>	<u>25,922,000</u>
203.3	C.S.A.H.	670,768,000	698,495,000
203.4	M.S.A.S.	170,743,000	178,141,000
203.5			<u>1,573,770,000</u>
203.6	Trunk Highway	1,577,534,000	<u>1,573,910,000</u>

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

203.10 Sec. 3. Laws 2015, chapter 75, article 1, section 3, subdivision 2, is amended to read:

203.11 Subd. 2. **Multimodal Systems**

203.12 (a) **Aeronautics**

203.13		19,798,000	
203.14	(1) Airport Development and Assistance	<u>30,057,000</u>	19,798,000

203.15 This appropriation is from the state
 203.16 airports fund and must be spent according
 203.17 to Minnesota Statutes, section 360.305,
 203.18 subdivision 4.

203.19 The base appropriation in each of fiscal years
 203.20 2018 and 2019 is \$14,298,000.

203.21 Notwithstanding Minnesota Statutes, section
 203.22 16A.28, subdivision 6, this appropriation is
 203.23 available for five years after appropriation.

203.24 If the appropriation for either year is
 203.25 insufficient, the appropriation for the other
 203.26 year is available for it.

203.27			6,661,000
203.28	(2) Aviation Support and Services	6,661,000	<u>7,474,000</u>

203.29 Appropriations by Fund

203.30		2016	2017
203.31			5,311,000
203.32	Airports	5,311,000	<u>6,124,000</u>
203.33	Trunk Highway	1,350,000	1,350,000

203.34 \$80,000 in each year is from the state airports
 203.35 fund for the Civil Air Patrol.

204.1 \$313,000 in the second year is from the state
 204.2 airports fund for software system upgrades
 204.3 needed to accommodate the regulation of
 204.4 drones under Minnesota Statutes, sections
 204.5 360.55, subdivision 9, and 360.679, through
 204.6 aircraft regulation and commercial operator
 204.7 licensing. This is a onetime appropriation.

204.8 \$500,000 in the second year is from the
 204.9 state airports fund for the commissioner of
 204.10 transportation to conduct an air transport
 204.11 optimization planning study for the St.
 204.12 Cloud Regional Airport. The study must
 204.13 be comprehensive and market-based, using
 204.14 economic development and air service
 204.15 expertise to research, analyze, and develop
 204.16 models and strategies that maximize the
 204.17 return on investments made to enhance the
 204.18 use and impact of the St. Cloud Regional
 204.19 Airport. This is a onetime appropriation.

204.20 The base appropriation from the trunk
 204.21 highway fund in fiscal year 2018 is
 204.22 \$1,479,000 and in fiscal year 2019 is
 204.23 \$1,623,000.

204.24 The base appropriation from the state airports
 204.25 fund in each of fiscal years 2018 and 2019 is
 204.26 \$5,311,000.

204.27 **(b) Transit** 20,543,000 20,567,000

204.28	Appropriations by Fund		
204.29		2016	2017
204.30	General	19,745,000	19,745,000
204.31	Trunk Highway	798,000	822,000

204.32 The base appropriation from the general
 204.33 fund in each of fiscal years 2018 and 2019
 204.34 is \$17,245,000.

205.1 The base appropriation from the trunk
 205.2 highway fund in fiscal year 2018 is \$846,000
 205.3 and in fiscal year 2019 is \$873,000.

205.4 **(c) Safe Routes to School** 500,000 500,000

205.5 This appropriation is from the general fund
 205.6 for the safe routes to school program under
 205.7 Minnesota Statutes, section 174.40.

205.8 **(d) Passenger Rail** 500,000 500,000

205.9 This appropriation is from the general
 205.10 fund for passenger rail system planning,
 205.11 alternatives analysis, environmental analysis,
 205.12 design, and preliminary engineering under
 205.13 Minnesota Statutes, sections 174.632 to
 205.14 174.636.

205.15 **(e) Freight** 13,445,000 5,452,000
 205.16 6,838,000

205.17	Appropriations by Fund		
205.18		2016	2017
205.19			256,000
205.20	General	8,401,000	<u>1,642,000</u>
205.21	Trunk Highway	5,044,000	5,196,000

205.22 \$150,000 in the second year is from the
 205.23 general fund to pay for an interagency rail
 205.24 director to work with the Interagency Rail
 205.25 Working Group to address rail safety, rail
 205.26 service, and rail impacts on communities.

205.27 \$1,128,000 in the second year is from
 205.28 the general fund to pay for freight and
 205.29 rail planning, engineering, administration,
 205.30 and related activities. This is a onetime
 205.31 appropriation.

205.32 \$108,000 in the second year is from the
 205.33 general fund for required activities of
 205.34 emergency response and preparedness
 205.35 related to oil and hazardous substances

206.1 transported by rail. The base appropriation
 206.2 for this activity is \$95,000 in fiscal year 2018,
 206.3 \$37,000 in fiscal year 2019, and \$0 thereafter.

206.4 \$145,000 in the first year is from the general
 206.5 fund for a grant to the Minnesota Commercial
 206.6 Railway for emergency temporary repairs
 206.7 to approximately 6.5 miles of railroad track
 206.8 described as that portion of the Minnesota
 206.9 Commercial main running lead, between
 206.10 M&D Junction in White Bear Lake and the
 206.11 end of track in Hugo.

206.12 \$3,000,000 in the first year is from the
 206.13 general fund for port development assistance
 206.14 program grants under Minnesota Statutes,
 206.15 chapter 457A. Any improvements made with
 206.16 the proceeds of these grants must be publicly
 206.17 owned. This is a onetime appropriation and
 206.18 is available in the second year.

206.19 \$5,000,000 in the first year is from the
 206.20 general fund for rail grade crossing
 206.21 safety improvements. This is a onetime
 206.22 appropriation and is available in the second
 206.23 year.

206.24 The base appropriation from the trunk
 206.25 highway fund in fiscal year 2018 is
 206.26 \$5,350,000 and in fiscal year 2019 is
 206.27 \$5,522,000.

206.28 The base appropriation from the general fund
 206.29 in fiscal year 2018 is \$536,000 and in fiscal
 206.30 year 2019 is \$478,000.

206.31 Sec. 4. Laws 2015, chapter 75, article 1, section 3, subdivision 3, is amended to read:

206.32 Subd. 3. **State Roads**

206.33	(a) Operations and Maintenance	288,405,000	290,916,000
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207.1 The base appropriation in fiscal year 2018
 207.2 is \$292,140,000 and in fiscal year 2019 is
 207.3 \$301,545,000.

207.4			<u>231,252,000</u>
207.5	(b) Program Planning and Delivery	237,529,000	<u>231,392,000</u>

207.6 \$140,000 in the second year is for the costs
 207.7 of developing, adopting, and implementing
 207.8 best practices for project evaluation and
 207.9 selection. This is a onetime appropriation.

207.10 \$130,000 in each year is available for
 207.11 administrative costs of the targeted group
 207.12 business program.

207.13 \$266,000 in each year is available for grants
 207.14 to metropolitan planning organizations
 207.15 outside the seven-county metropolitan area.

207.16 \$900,000 in each year is available for
 207.17 grants for transportation studies outside
 207.18 the metropolitan area to identify critical
 207.19 concerns, problems, and issues. These
 207.20 grants are available: (1) to regional
 207.21 development commissions; (2) in regions
 207.22 where no regional development commission
 207.23 is functioning, to joint powers boards
 207.24 established under agreement of two or
 207.25 more political subdivisions in the region to
 207.26 exercise the planning functions of a regional
 207.27 development commission; and (3) in regions
 207.28 where no regional development commission
 207.29 or joint powers board is functioning, to the
 207.30 department's district office for that region.

207.31 \$1,000,000 in each year is available
 207.32 for management of contaminated and
 207.33 regulated material on property owned by
 207.34 the Department of Transportation, including
 207.35 mitigation of property conveyances, facility

208.1 acquisition or expansion, chemical release at
 208.2 maintenance facilities, and spills on the trunk
 208.3 highway system where there is no known
 208.4 responsible party. If the appropriation for
 208.5 either year is insufficient, the appropriation
 208.6 for the other year is available for it.

208.7 \$6,804,000 in the first year and \$1,000,000 in
 208.8 the second year are available for the purposes
 208.9 stated in Minnesota Statutes, section 12A.16,
 208.10 subdivision 2.

208.11 The base appropriation for program
 208.12 planning and delivery in fiscal year 2018
 208.13 is \$227,004,000 and in fiscal year 2019 is
 208.14 \$234,331,000.

208.15 (c) State Road Construction	779,664,000	744,166,000
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208.16 This appropriation is for the actual
 208.17 construction, reconstruction, and
 208.18 improvement of trunk highways, including
 208.19 design-build contracts, internal department
 208.20 costs associated with delivering the
 208.21 construction program, and consultant usage
 208.22 to support these activities. This includes the
 208.23 cost of actual payment to landowners for
 208.24 lands acquired for highway rights-of-way,
 208.25 payment to lessees, interest subsidies, and
 208.26 relocation expenses.

208.27 \$1,000,000 in the first year is to complete
 208.28 projects using funds made available to
 208.29 the commissioner of transportation under
 208.30 title XII of the American Recovery and
 208.31 Reinvestment Act of 2009, Public Law
 208.32 111-5, and implemented under Minnesota
 208.33 Statutes, section 161.36, subdivision 7.

208.34 \$10,000,000 in each year is for the
 208.35 transportation economic development

209.1 program under Minnesota Statutes, section
 209.2 174.12.

209.3 The commissioner may expend up to one-half
 209.4 of one percent of the federal appropriations
 209.5 under this paragraph as grants to opportunity
 209.6 industrialization centers and other nonprofit
 209.7 job training centers for job training programs
 209.8 related to highway construction.

209.9 The commissioner may transfer up to
 209.10 \$15,000,000 each year to the transportation
 209.11 revolving loan fund.

209.12 The commissioner may receive money
 209.13 covering other shares of the cost of
 209.14 partnership projects. These receipts are
 209.15 appropriated to the commissioner for these
 209.16 projects.

209.17 The base appropriation for state road
 209.18 construction in each of fiscal years 2018 and
 209.19 2019 is \$695,800,000.

209.20 (d) Highway Debt Service	197,381,000	231,199,000
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209.21 \$187,881,000 the first year and \$221,699,000
 209.22 the second year are for transfer to the state
 209.23 bond fund. If this appropriation is insufficient
 209.24 to make all transfers required in the year
 209.25 for which it is made, the commissioner
 209.26 of management and budget shall transfer
 209.27 the deficiency amount under the statutory
 209.28 open appropriation, and notify the chairs
 209.29 and ranking minority members of the
 209.30 legislative committees with jurisdiction over
 209.31 transportation finance and the chairs of the
 209.32 senate Committee on Finance and the house
 209.33 of representatives Committee on Ways and
 209.34 Means of the amount of the deficiency. Any

210.1 excess appropriation cancels to the trunk
 210.2 highway fund.

210.3 **(e) Statewide Radio Communications** 5,358,000 5,486,000

210.4	Appropriations by Fund		
210.5		2016	2017
210.6	General	35,000	3,000
210.7	Trunk Highway	5,323,000	5,483,000

210.8 \$3,000 in each year is from the general fund to
 210.9 equip and operate the Roosevelt signal tower
 210.10 for Lake of the Woods weather broadcasting.

210.11 \$32,000 in the first year is from the general
 210.12 fund for a weather transmitter in Lake of the
 210.13 Woods County.

210.14 The base appropriation from the trunk
 210.15 highway fund in fiscal year 2018 is
 210.16 \$5,645,000 and in fiscal year 2019 is
 210.17 \$5,826,000.

210.18 Sec. 5. Laws 2015, chapter 75, article 1, section 4, is amended to read:

210.19			101,126,000
210.20	Sec. 4. METROPOLITAN COUNCIL	\$ 81,626,000	\$ <u>101,176,000</u>

210.21 This appropriation is from the general fund
 210.22 for transit system operations under Minnesota
 210.23 Statutes, sections 473.371 to 473.449.

210.24 Of this amount, \$27,300,000 is available
 210.25 through fiscal year 2018.

210.26 \$50,000 in the second year is for a grant
 210.27 to the city of St. Paul for a transitway
 210.28 development outreach pilot program. This is
 210.29 a onetime appropriation.

210.30 Of this appropriation, \$1,000,000 in
 210.31 each year is for financial assistance to
 210.32 replacement service providers under
 210.33 Minnesota Statutes, section 473.388, to

211.1 implement a demonstration project that
211.2 provides regular route transit or express
211.3 bus service between municipalities in the
211.4 metropolitan area, as defined in Minnesota
211.5 Statutes, section 473.121, subdivision 2,
211.6 excluding cities of the first class. The council
211.7 may not retain any portion of funds specified
211.8 in this rider. The replacement service
211.9 providers shall collectively identify one or
211.10 more demonstration projects for financial
211.11 assistance and submit a notification of the
211.12 allocation to the council. The council shall
211.13 allocate the appropriated funds as directed by
211.14 the replacement service providers. Criteria
211.15 for evaluating and identifying demonstration
211.16 projects must include but are not limited to:
211.17 (1) scope of service offering improvements;
211.18 (2) integration with transit facilities and
211.19 major business, retail, or suburban centers;
211.20 (3) extent to which a proposed route
211.21 complements existing transit service; and
211.22 (4) density of employment along a proposed
211.23 route. This is a onetime appropriation.

211.24 Of this appropriation, \$200,000 in the first
211.25 year is for grants payable by July 31, 2016,
211.26 to transportation management organizations
211.27 that provide services exclusively or primarily
211.28 in (1) each city of the first class, as provided
211.29 under section 410.01; and (2) the city having
211.30 the highest population as of the effective
211.31 date of this section located along the marked
211.32 Interstate Highway 494 corridor. Permissible
211.33 uses include administrative expenses and
211.34 programming and service expansion,
211.35 including but not limited to staffing,
211.36 communications, outreach and education

212.1 program development, and operations
 212.2 management. The council may not retain any
 212.3 portion of funds under this appropriation.
 212.4 The base appropriation in each of fiscal years
 212.5 2018 and 2019 is \$89,820,000.

212.6 Sec. 6. Laws 2015, chapter 75, article 1, section 5, subdivision 1, is amended to read:

212.7				176,267,000
212.8	Subdivision 1. Total Appropriation	\$	173,447,000	\$ <u>181,027,000</u>

212.9	Appropriations by Fund			
212.10		2016	2017	
212.11			13,608,000	
212.12	General	13,606,000	<u>13,868,000</u>	
212.13	Special Revenue	61,475,000	62,210,000	
212.14	H.U.T.D.	2,192,000	2,213,000	
212.15			98,236,000	
212.16	Trunk Highway	96,174,000	<u>102,736,000</u>	

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

212.20 Sec. 7. Laws 2015, chapter 75, article 1, section 5, subdivision 2, is amended to read:

212.21 Subd. 2. **Administration and Related Services**

212.22	(a) Office of Communications	517,000	530,000
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212.23	Appropriations by Fund			
212.24		2016	2017	
212.25	General	113,000	115,000	
212.26	Trunk Highway	404,000	415,000	

212.27			9,124,000
212.28	(b) Public Safety Support	9,035,000	<u>9,384,000</u>

212.29	Appropriations by Fund			
212.30		2016	2017	
212.31			3,987,000	
212.32	General	3,982,000	<u>4,247,000</u>	
212.33	H.U.T.D.	1,366,000	1,366,000	
212.34	Trunk Highway	3,687,000	3,771,000	

213.1 The base appropriation from the general
 213.2 fund in each of fiscal years 2018 and 2019 is
 213.3 \$3,537,000.

213.4 ~~\$380,000 in each~~ the first year and \$640,000
 213.5 in the second year ~~is~~ are from the general
 213.6 fund for payment of public safety officer
 213.7 survivor benefits under Minnesota Statutes,
 213.8 section 299A.44. If the appropriation for
 213.9 either year is insufficient, the appropriation
 213.10 for the other year is available for it.

213.11 \$1,367,000 in each year is from the general
 213.12 fund to be deposited in the public safety
 213.13 officer's benefit account. This money
 213.14 is available for reimbursements under
 213.15 Minnesota Statutes, section 299A.465.

213.16 \$600,000 in each year is from the general
 213.17 fund and \$100,000 in each year is from the
 213.18 trunk highway fund for soft body armor
 213.19 reimbursements under Minnesota Statutes,
 213.20 section 299A.38.

213.21 \$450,000 in each year is from the general
 213.22 fund for the creation of two emergency
 213.23 response teams. One emergency response
 213.24 team must be under the jurisdiction of the
 213.25 St. Cloud Fire Department, or a similarly
 213.26 located fire department if necessary, and one
 213.27 emergency response team must be under the
 213.28 jurisdiction of the Duluth Fire Department.

213.29 The commissioner shall allocate the funds
 213.30 as needed to facilitate the creation and
 213.31 maintenance of the emergency response
 213.32 teams. This is a onetime appropriation.

213.33 (c) Technology and Support Service	3,685,000	3,685,000
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213.34	Appropriations by Fund		
213.35	2016	2017	

214.1	General	1,322,000	1,322,000
214.2	H.U.T.D.	19,000	19,000
214.3	Trunk Highway	2,344,000	2,344,000

214.4 Sec. 8. Laws 2015, chapter 75, article 1, section 5, subdivision 3, is amended to read:

214.5 Subd. 3. **State Patrol**

214.6			83,121,000
214.7	(a) Patrolling Highways		<u>87,621,000</u>

214.8	Appropriations by Fund		
214.9		2016	2017
214.10	General	154,000	37,000
214.11	H.U.T.D.	92,000	92,000
214.12			82,992,000
214.13	Trunk Highway	81,270,000	<u>87,492,000</u>

214.14 \$4,500,000 from the trunk highway fund in
 214.15 the second year is to recruit, hire, train, and
 214.16 equip a State Patrol Academy.

214.17 \$858,000 from the trunk highway fund in the
 214.18 first year and \$117,000 from the general fund
 214.19 in the first year is to purchase a single-engine
 214.20 aircraft for the State Patrol.

214.21 The base appropriation from the trunk
 214.22 highway fund for patrolling highways in each
 214.23 of fiscal years 2018 and 2019 is \$87,492,000,
 214.24 of which \$4,500,000 each year is for a State
 214.25 Patrol Academy.

214.26	(b) Commercial Vehicle Enforcement	8,023,000	8,257,000
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214.27	(c) Capitol Security	8,035,000	8,147,000
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214.28 This appropriation is from the general fund.

214.29 The commissioner may not: (1) spend
 214.30 any money from the trunk highway fund
 214.31 for capitol security; or (2) permanently
 214.32 transfer any state trooper from the patrolling
 214.33 highways activity to capitol security.

215.1 The commissioner may not transfer any
 215.2 money appropriated to the commissioner
 215.3 under this section: (1) to capitol security; or
 215.4 (2) from capitol security.

215.5 (d) **Vehicle Crimes Unit** 715,000 736,000

215.6 This appropriation is from the highway user
 215.7 tax distribution fund.

215.8 This appropriation is to investigate: (1)
 215.9 registration tax and motor vehicle sales tax
 215.10 liabilities from individuals and businesses
 215.11 that currently do not pay all taxes owed;
 215.12 and (2) illegal or improper activity related
 215.13 to sale, transfer, titling, and registration of
 215.14 motor vehicles.

215.15 **Sec. 9. CITY OF GRAND RAPIDS FREIGHT RAIL CONSTRUCTION DESIGN.**

215.16 \$1,000,000 is appropriated from the rail service improvement account in the special
 215.17 revenue fund to the commissioner of transportation for a grant to the city of Grand
 215.18 Rapids to fund rail planning studies, design, and preliminary engineering relating to the
 215.19 construction of a freight rail line located in the counties of Itasca, St. Louis, and Lake
 215.20 to serve local producers and shippers. The city of Grand Rapids shall collaborate with
 215.21 the Itasca Economic Development Corporation and the Itasca County Regional Railroad
 215.22 Authority in the activities funded with the proceeds of this grant. This is a onetime
 215.23 appropriation and is available until June 30, 2019.

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

215.25 **Sec. 10. AUTONOMOUS VEHICLES TASK FORCE; APPROPRIATION.**

215.26 \$25,000 is appropriated from the general fund in fiscal year 2017 to the
 215.27 commissioner of transportation for the administrative support costs of the autonomous
 215.28 vehicles task force. This is a onetime appropriation and is available until June 30, 2019.

215.29 **Sec. 11. OIL TRAIN AND PIPELINE SAFETY TRAINING REPORT;**
 215.30 **APPROPRIATION.**

215.31 \$35,000 is appropriated from the general fund in fiscal year 2017 to the commissioner
 215.32 of public safety for a report comparing existing and proposed oil train and pipeline safety

216.1 training programs and training center locations. The report must analyze existing and
 216.2 proposed training centers to identify each center's resources, assets, and infrastructure; the
 216.3 potential of each center to identify and utilize nonstate resources and partnerships; and the
 216.4 date on which each center, with the assistance of state resources, would begin offering
 216.5 training programs to first responders, emergency managers, and other local and state
 216.6 government officials. The report must be submitted no later than February 1, 2017, to the
 216.7 chairs and ranking minority members of the senate and house of representatives committees
 216.8 having jurisdiction over public safety policy and finance. This is a onetime appropriation.

216.9 **ARTICLE 11**

216.10 **TRANSPORTATION FISCAL PROVISIONS**

216.11 Section 1. Minnesota Statutes 2014, section 115E.042, is amended to read:

216.12 **115E.042 PREPAREDNESS AND RESPONSE FOR CERTAIN RAILROADS.**

216.13 Subdivision 1. **Application.** In addition to the requirements of section 115E.04,
 216.14 a person who owns or operates railroad car rolling stock transporting a unit train must
 216.15 comply with this section.

216.16 Subd. 2. **Training.** (a) Each railroad must offer training to each fire department,
 216.17 and each local organization for emergency management under section 12.25, having
 216.18 jurisdiction along the route of unit trains routes over which oil and other hazardous
 216.19 substances are transported. Initial training under this subdivision must be offered to each
 216.20 fire department by June 30, 2016, and Refresher training must be offered to each fire
 216.21 department and local organization for emergency management at least once every three
 216.22 years thereafter after initial training under this subdivision.

216.23 (b) The training must address the general hazards of oil and hazardous substances,
 216.24 techniques to assess hazards to the environment and to the safety of responders and the
 216.25 public, factors an incident commander must consider in determining whether to attempt to
 216.26 suppress a fire or to evacuate the public and emergency responders from an area, and other
 216.27 strategies for initial response by local emergency responders. The training must include
 216.28 suggested protocol or practices for local responders to safely accomplish these tasks.

216.29 Subd. 3. **Coordination.** ~~Beginning June 30, 2015,~~ Each railroad must communicate
 216.30 at least annually with each county or city emergency manager, safety representatives of
 216.31 railroad employees governed by the Railway Labor Act, and a senior fire department
 216.32 officer of each fire department having jurisdiction along the ~~route of a unit train~~ routes
 216.33 over which oil and other hazardous substances are transported, to:

217.1 (1) ensure coordination of emergency response activities between the railroad and
217.2 local responders; and

217.3 (2) assist emergency managers identify and assess local threats, hazards, and risks in
217.4 areas (i) having high population concentration, or (ii) in which key facilities are located.

217.5 Subd. 4. **Response capabilities; time limits.** (a) Following confirmation of a
217.6 discharge, a railroad must deliver and deploy sufficient equipment and trained personnel to
217.7 contain and recover discharged oil or hazardous substances and to protect the environment
217.8 and public safety.

217.9 (b) Within one hour of confirmation of a discharge, a railroad must provide a
217.10 qualified company employee to advise the incident commander. The employee may be
217.11 made available by telephone, and must be authorized to deploy all necessary response
217.12 resources of the railroad.

217.13 (c) Within three hours of confirmation of a discharge, a railroad must be capable of
217.14 delivering monitoring equipment and a trained operator to assist in protection of responder
217.15 and public safety. A plan to ensure delivery of monitoring equipment and an operator to a
217.16 discharge site must be provided each year to the commissioner of public safety.

217.17 (d) Within three hours of confirmation of a discharge, a railroad must provide qualified
217.18 personnel at a discharge site to assess the discharge and to advise the incident commander.

217.19 (e) A railroad must be capable of deploying containment boom from land across
217.20 sewer outfalls, creeks, ditches, and other places where oil or hazardous substances
217.21 may drain, in order to contain leaked material before it reaches those resources. The
217.22 arrangement to provide containment boom and staff may be made by:

217.23 (1) training and caching equipment with local jurisdictions;

217.24 (2) training and caching equipment with a fire mutual-aid group;

217.25 (3) means of an industry cooperative or mutual-aid group;

217.26 (4) deployment of a contractor;

217.27 (5) deployment of a response organization under state contract; or

217.28 (6) other dependable means acceptable to the Pollution Control Agency.

217.29 (f) Each arrangement under paragraph (e) must be confirmed each year. Each
217.30 arrangement must be tested by drill at least once every five years.

217.31 (g) Within eight hours of confirmation of a discharge, a railroad must be capable of
217.32 delivering and deploying containment boom, boats, oil recovery equipment, trained staff,
217.33 and all other materials needed to provide:

217.34 (1) on-site containment and recovery of a volume of oil equal to ten percent of the
217.35 calculated worst case discharge at any location along the route; and

218.1 (2) protection of listed sensitive areas and potable water intakes within one mile of
218.2 a discharge site and within eight hours of water travel time downstream in any river
218.3 or stream that the right-of-way intersects.

218.4 (h) Within 60 hours of confirmation of a discharge, a railroad must be capable of
218.5 delivering and deploying additional containment boom, boats, oil recovery equipment,
218.6 trained staff, and all other materials needed to provide containment and recovery of a
218.7 worst case discharge and to protect listed sensitive areas and potable water intakes at any
218.8 location along the route.

218.9 Subd. 5. **Railroad Environmental response drills.** Each railroad must conduct at
218.10 ~~least one~~ oil containment, recovery, and sensitive area protection ~~drill~~ exercises as follows:
218.11 (1) at least one tabletop exercise every year; and (2) at least one full-scale exercise every
218.12 three years, at a location and time and in the manner chosen by the Pollution Control
218.13 Agency, and attended by safety representatives of railroad employees governed by the
218.14 Railway Labor Act.

218.15 Subd. 5a. **Prevention and response plans; capacity information.** In addition to
218.16 other requirements, a prevention and response plan under section 115E.04 must include a
218.17 description of the capacity and methods a railroad intends to utilize in order to meet the
218.18 requirements under subdivision 4.

218.19 Subd. 6. **Prevention and response plans; submission requirements.** (a) ~~By~~
218.20 ~~June 30, 2015,~~ A railroad shall submit the prevention and response plan required under
218.21 section 115E.04, as necessary to comply with the requirements of this section, to the
218.22 commissioner of the Pollution Control Agency on a form designated by the commissioner.

218.23 (b) ~~By June 30 of~~ In every third year following a plan submission under this
218.24 subdivision, or sooner as provided under section 115E.04, subdivision 2, a railroad must
218.25 update and resubmit the prevention and response plan to the commissioner.

218.26 Subd. 7. **Financial responsibility.** (a) Each railroad must file with the commissioner
218.27 of transportation a financial responsibility plan that complies with the requirements of this
218.28 subdivision, in a form and manner determined by the commissioner.

218.29 (b) The financial responsibility plan must include (1) evidence demonstrating that
218.30 the railroad has the financial ability to pay for the environmental costs that may arise
218.31 while the financial responsibility plan is in effect, and (2) business information required by
218.32 the commissioner.

218.33 (c) Evidence of the railroad's financial ability to pay, in the form, at the amount,
218.34 and with such contractual terms, conditions, or defenses required by the commissioner
218.35 can be demonstrated by:

218.36 (1) insurance meeting the requirements of chapter 60A;

219.1 (2) self-insurance;

219.2 (3) surety bond; or

219.3 (4) irrevocable letter of credit, as defined in section 336.5-102.

219.4 (d) The commissioner must set the amount of financial ability to pay in consultation
219.5 with the commissioner of the Pollution Control Agency: (1) using a calculation based on
219.6 the volume of oil or other hazardous substances to be transported within or through the
219.7 state; and (2) at a level no less than the expected environmental costs from a worst-case
219.8 discharge.

219.9 (e) A financial responsibility plan must be continuous until canceled. The
219.10 commissioner must receive 90 days' written notice prior to cancellation of any evidence of
219.11 the railroad's ability to pay. A railroad shall notify the commissioner promptly following a
219.12 material change in ability to pay.

219.13 Sec. 2. Minnesota Statutes 2014, section 161.368, is amended to read:

219.14 **161.368 HIGHWAY CONTRACTS WITH TRIBAL AUTHORITIES.**

219.15 (a) On behalf of the state, the commissioner may enter into agreements with Indian
219.16 tribal authorities for the purpose of providing maintenance, design, and construction to
219.17 highways on tribal lands. These agreements may include (1) a provision for waiver of
219.18 immunity from suit by a party to the contract on the part of the tribal authority with respect
219.19 to any controversy arising out of the contract and (2) a provision conferring jurisdiction on
219.20 state district courts to hear such a controversy.

219.21 (b) Notwithstanding section 161.32, for construction of highways on tribal lands
219.22 in a reservation exempt from Public Law 83-280, the commissioner may: (1) award
219.23 a preference for Indian-owned contractors to the same extent provided in the applicable
219.24 Tribal Employment Rights Ordinance, but not to exceed ten percent; or (2) negotiate
219.25 with the tribal authority and enter into an agreement for the tribal authority to award and
219.26 administer the construction contract, with the commissioner providing funding for the
219.27 state share of the project. If negotiating with the tribal authority, the commissioner must
219.28 perform an independent cost estimate and determine that the cost proposed by the tribal
219.29 authority is reasonable. An agreement negotiated with a tribal authority must include a
219.30 clause requiring conformance with plans and specifications approved by the commissioner.

219.31 Sec. 3. Minnesota Statutes 2014, section 165.14, subdivision 6, is amended to read:

219.32 Subd. 6. **Annual report.** ~~Annually~~ By January 15 of each odd-numbered year, the
219.33 commissioner shall submit a report on the program to the chairs and ranking minority
219.34 members of the house of representatives and senate committees with jurisdiction over

220.1 transportation finance. The report must include the inventory information required under
220.2 subdivision 3, and an analysis, including any recommendations for changes, of the
220.3 adequacy and efficacy of (1) the program requirements under subdivision 3, and (2) the
220.4 prioritization requirements under subdivision 4.

220.5 Sec. 4. Minnesota Statutes 2014, section 168.017, is amended by adding a subdivision
220.6 to read:

220.7 Subd. 6. Refunds; grace period. The registrar shall cancel registration and provide
220.8 a full refund on a vehicle registered under this section if an application for refund is
220.9 submitted within the first ten days of the month commencing the registration period for
220.10 which the refund is submitted.

220.11 EFFECTIVE DATE. This section is effective the day following final enactment,
220.12 and applies to registration periods starting on or after January 1, 2017.

220.13 Sec. 5. Minnesota Statutes 2014, section 168.021, subdivision 1, is amended to read:

220.14 Subdivision 1. **Disability plates; application.** (a) When a motor vehicle registered
220.15 under section 168.017, a motorcycle, a motorized bicycle, a one-ton pickup truck, or
220.16 a self-propelled recreational vehicle is owned or primarily operated by a permanently
220.17 physically disabled person or a custodial parent or guardian of a permanently physically
220.18 disabled minor, the owner may apply for and secure from the commissioner (1)
220.19 immediately, a temporary permit valid for 30 days if the applicant is eligible for the
220.20 disability plates issued under this section and (2) two disability plates with attached
220.21 emblems, one plate to be attached to the front, and one to the rear of the motor vehicle,
220.22 truck, or recreational vehicle, or, in the case of a motorcycle or a motorized bicycle, one
220.23 disability plate the same size as a regular motorcycle plate.

220.24 (b) The commissioner shall not issue more than one plate to the owner of a
220.25 motorcycle or a motorized bicycle and not more than one set of plates to any owner of
220.26 another vehicle described in paragraph (a) at the same time unless the state Council on
220.27 Disability approves the issuance of a second plate or set of plates to an owner.

220.28 (c) When the owner first applies for the disability plate or plates, the owner must
220.29 submit a medical statement in a format approved by the commissioner under section
220.30 169.345, or proof of physical disability provided for in that section.

220.31 (d) No medical statement or proof of disability is required when an owner applies for
220.32 a plate or plates for one or more vehicles listed in paragraph (a) that are specially modified
220.33 for and used exclusively by permanently physically disabled persons.

221.1 (e) The owner of a vehicle listed in paragraph (a) may apply for and secure (i)
221.2 immediately, a permit valid for 30 days, if the applicant is eligible to receive the disability
221.3 plate or plates issued under this section, and (ii) a disability plate or plates for the vehicle if:

221.4 (1) the owner employs a permanently physically disabled person who would qualify
221.5 for the disability plate or plates under this section; and

221.6 (2) the owner furnishes the motor vehicle to the physically disabled person for the
221.7 exclusive use of that person in the course of employment.

221.8 **EFFECTIVE DATE.** This section is effective January 1, 2017, if the commissioner
221.9 of public safety has advised the revisor of statutes that the cost of the requirements of the
221.10 section can be absorbed within existing appropriations from the vehicle services operating
221.11 account in the special revenue fund.

221.12 Sec. 6. Minnesota Statutes 2014, section 168.021, subdivision 2, is amended to read:

221.13 Subd. 2. **Plate design; furnished by commissioner.** The commissioner shall design
221.14 and furnish two disability plates, or one disability plate for a motorcycle or a motorized
221.15 bicycle that is the same size as a regular motorcycle plate, with attached emblem or
221.16 emblems to an eligible owner. The emblem must bear the internationally accepted
221.17 wheelchair symbol, as designated in section 326B.106, subdivision 9, approximately three
221.18 inches square. The emblem must be large enough to be visible plainly from a distance of
221.19 50 feet. An applicant eligible for a disability plate or plates shall pay the motor vehicle
221.20 registration fee authorized by sections 168.013 and 168.09.

221.21 **EFFECTIVE DATE.** This section is effective January 1, 2017, if the commissioner
221.22 of public safety has advised the revisor of statutes that the cost of the requirements of the
221.23 section can be absorbed within existing appropriations from the vehicle services operating
221.24 account in the special revenue fund.

221.25 Sec. 7. Minnesota Statutes 2014, section 168.021, subdivision 2a, is amended to read:

221.26 Subd. 2a. **Plate transfer.** (a) When ownership of a vehicle described in subdivision
221.27 1, is transferred, the owner of the vehicle shall remove the disability plate or plates. The
221.28 buyer of the motor vehicle is entitled to receive a regular plate or plates for the vehicle
221.29 without further cost for the remainder of the registration period.

221.30 (b) Notwithstanding section 168.12, subdivision 1, the disability plate or plates may
221.31 be transferred to a replacement vehicle on notification to the commissioner. However, the
221.32 disability plate or plates may not be transferred unless the replacement vehicle (1) is listed
221.33 under section 168.012, subdivision 1, and, in case of a single plate for a motorcycle or a

222.1 motorized bicycle, the replacement vehicle is a motorcycle or a motorized bicycle, and (2)
222.2 is owned or primarily operated by the permanently physically disabled person.

222.3 **EFFECTIVE DATE.** This section is effective January 1, 2017, if the commissioner
222.4 of public safety has advised the revisor of statutes that the cost of the requirements of the
222.5 section can be absorbed within existing appropriations from the vehicle services operating
222.6 account in the special revenue fund.

222.7 Sec. 8. **[168.1294] LAW ENFORCEMENT MEMORIAL PLATES.**

222.8 Subdivision 1. **Issuance of plates.** The commissioner shall issue special law
222.9 enforcement memorial license plates or a single motorcycle plate to an applicant who:

222.10 (1) is a registered owner of a passenger automobile, noncommercial one-ton pickup
222.11 truck, motorcycle, or recreational motor vehicle;

222.12 (2) pays an additional fee of \$10 for each set of plates;

222.13 (3) pays the registration tax as required under section 168.013, along with any
222.14 other fees required by this chapter;

222.15 (4) contributes \$25 upon initial application and a minimum of \$5 annually to the
222.16 Minnesota Law Enforcement Memorial Association; and

222.17 (5) complies with this chapter and rules governing registration of motor vehicles
222.18 and licensing of drivers.

222.19 Subd. 2. **Design.** After consultation with the Minnesota Law Enforcement Memorial
222.20 Association, the commissioner shall design the special plate. The final design of the plate
222.21 is subject to the approval of the commissioner.

222.22 Subd. 3. **Plates transfer.** On application to the commissioner and payment of a
222.23 transfer fee of \$5, special plates may be transferred to another qualified motor vehicle that
222.24 is registered to the same individual to whom the special plates were originally issued.

222.25 Subd. 4. **Exemption.** Special plates issued under this section are not subject to
222.26 section 168.1293, subdivision 2.

222.27 Subd. 5. **Fees.** Fees collected under subdivision 1, clauses (2) and (3), and
222.28 subdivision 3 are credited to the vehicle services operating account in the special revenue
222.29 fund.

222.30 **EFFECTIVE DATE.** This section is effective January 1, 2017, for special law
222.31 enforcement memorial plates issued on or after that date.

222.32 Sec. 9. **[168A.125] TRANSFER-ON-DEATH TITLE TO MOTOR VEHICLE.**

223.1 Subdivision 1. **Titled as transfer-on-death.** A natural person who is the owner of
223.2 a motor vehicle may have the motor vehicle titled in transfer-on-death or TOD form by
223.3 including in the application for the certificate of title a designation of a beneficiary or
223.4 beneficiaries to whom the motor vehicle must be transferred on death of the owner or the last
223.5 survivor of joint owners with rights of survivorship, subject to the rights of secured parties.

223.6 Subd. 2. **Designation of beneficiary.** A motor vehicle is registered in
223.7 transfer-on-death form by designating on the certificate of title the name of the owner
223.8 and the names of joint owners with identification of rights of survivorship, followed by
223.9 the words "transfer-on-death to (name of beneficiary or beneficiaries)." The designation
223.10 "TOD" may be used instead of "transfer-on-death." A title in transfer-on-death form is
223.11 not required to be supported by consideration, and the certificate of title in which the
223.12 designation is made is not required to be delivered to the beneficiary or beneficiaries in
223.13 order for the designation to be effective. If the owner of the motor vehicle is married at
223.14 the time of the designation, the designation of a beneficiary other than the owner's spouse
223.15 requires the spouse's written consent.

223.16 Subd. 3. **Interest of beneficiary.** The transfer-on-death beneficiary or beneficiaries
223.17 have no interest in the motor vehicle until the death of the owner or the last survivor of
223.18 joint owners with rights of survivorship. A beneficiary designation may be changed at any
223.19 time by the owner or by all joint owners with rights of survivorship, without the consent of
223.20 the beneficiary or beneficiaries, by filing an application for a new certificate of title.

223.21 Subd. 4. **Vesting of ownership in beneficiary.** Ownership of a motor vehicle titled
223.22 in transfer-on-death form vests in the designated beneficiary or beneficiaries on the death
223.23 of the owner or the last of the joint owners with rights of survivorship, subject to the
223.24 rights of secured parties. The transfer-on-death beneficiary or beneficiaries who survive
223.25 the owner may apply for a new certificate of title to the motor vehicle upon submitting
223.26 a certified death record of the owner of the motor vehicle. If no transfer-on-death
223.27 beneficiary or beneficiaries survive the owner of a motor vehicle, the motor vehicle must
223.28 be included in the probate estate of the deceased owner. A transfer of a motor vehicle to a
223.29 transfer-on-death beneficiary or beneficiaries is not a testamentary transfer.

223.30 Subd. 5. **Rights of creditors.** (a) This section does not limit the rights of any
223.31 secured party or creditor of the owner of a motor vehicle against a transfer-on-death
223.32 beneficiary or beneficiaries.

223.33 (b) The state or a county agency with a claim or lien authorized by section 246.53,
223.34 256B.15, 261.04, or 270C.63, is a creditor for purposes of this subdivision. A claim
223.35 or lien under those sections continues to apply against the designated beneficiary or
223.36 beneficiaries after the transfer under this section if other assets of the deceased owner's

224.1 estate are insufficient to pay the amount of the claim. The claim or lien continues to
224.2 apply to the motor vehicle until the designated beneficiary sells or transfers it to a person
224.3 against whom the claim or lien does not apply and who did not have actual notice or
224.4 knowledge of the claim or lien.

224.5 Sec. 10. Minnesota Statutes 2014, section 168A.29, subdivision 1, is amended to read:

224.6 Subdivision 1. **Amounts.** (a) The department must be paid the following fees:

224.7 (1) for filing an application for and the issuance of an original certificate of title,
224.8 the sum of:

224.9 (i) until December 31, 2016, \$6.25 of which \$3.25 must be paid into the vehicle
224.10 services operating account of the special revenue fund under section 299A.705, and from
224.11 July 1, 2012, to June 30, ~~2016~~ 2019, a surcharge of \$1 must be added to the fee and
224.12 credited to the driver and vehicle services technology account; and

224.13 (ii) on and after January 1, 2017, \$8.25 of which \$4.15 must be paid into the vehicle
224.14 services operating account;

224.15 (2) for each security interest when first noted upon a certificate of title, including the
224.16 concurrent notation of any assignment thereof and its subsequent release or satisfaction,
224.17 the sum of \$2, except that no fee is due for a security interest filed by a public authority
224.18 under section 168A.05, subdivision 8;

224.19 (3) until December 31, 2016, for the transfer of the interest of an owner and the
224.20 issuance of a new certificate of title, the sum of \$5.50 of which \$2.50 must be paid into the
224.21 vehicle services operating account of the special revenue fund under section 299A.705,
224.22 and from July 1, 2012, to June 30, ~~2016~~ 2019, a surcharge of \$1 must be added to the fee
224.23 and credited to the driver and vehicle services technology account;

224.24 (4) for each assignment of a security interest when first noted on a certificate of title,
224.25 unless noted concurrently with the security interest, the sum of \$1; and

224.26 (5) for issuing a duplicate certificate of title, the sum of \$7.25 of which \$3.25 must
224.27 be paid into the vehicle services operating account of the special revenue fund under
224.28 section 299A.705; from July 1, 2012, to June 30, ~~2016~~ 2019, a surcharge of \$1 must be
224.29 added to the fee and credited to the driver and vehicle services technology account.

224.30 (b) In addition to the fee required under paragraph (a), clause (1), the department
224.31 must be paid \$3.50. The additional \$3.50 fee collected under this paragraph must be
224.32 deposited in the special revenue fund and credited to the public safety motor vehicle
224.33 account established in section 299A.70.

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

225.1 Sec. 11. Minnesota Statutes 2014, section 169.345, subdivision 1, is amended to read:

225.2 Subdivision 1. **Scope of privilege.** (a) A vehicle described in section 168.021,
225.3 subdivision 1, paragraph (a), that prominently displays the certificate authorized by this
225.4 section or that bears the disability plate or plates issued under section 168.021 may be
225.5 parked by or solely for the benefit of a physically disabled person:

225.6 (1) in a designated parking space for disabled persons, as provided in section 169.346;

225.7 (2) in a metered parking space without obligation to pay the meter fee and without
225.8 time restrictions unless time restrictions are separately posted on official signs; and

225.9 (3) without time restrictions in a nonmetered space where parking is otherwise
225.10 allowed for passenger vehicles but restricted to a maximum period of time and that does
225.11 not specifically prohibit the exercise of disabled parking privileges in that space.

225.12 A person may park the vehicle for a physically disabled person in a parking space
225.13 described in clause (1) or (2) only when actually transporting the physically disabled
225.14 person for the sole benefit of that person and when the parking space is within a reasonable
225.15 distance from the drop-off point.

225.16 (b) For purposes of this subdivision, a certificate is prominently displayed if it is
225.17 displayed so that it may be viewed from the front and rear of the motor vehicle by hanging
225.18 it from the rearview mirror attached to the front windshield of the motor vehicle or, in
225.19 the case of a motorcycle or a motorized bicycle, is secured to the vehicle. If there is no
225.20 rearview mirror or if the certificate holder's disability precludes placing the certificate on
225.21 the mirror, the certificate must be displayed on the dashboard of the vehicle. No part of
225.22 the certificate may be obscured.

225.23 (c) Notwithstanding paragraph (a), clauses (1), (2), and (3), this section does not
225.24 permit parking in areas prohibited by sections 169.32 and 169.34, in designated no
225.25 parking spaces, or in parking spaces reserved for specified purposes or vehicles. A local
225.26 governmental unit may, by ordinance, prohibit parking on any street or highway to create
225.27 a fire lane, or to accommodate heavy traffic during morning and afternoon rush hours and
225.28 these ordinances also apply to physically disabled persons.

225.29 **EFFECTIVE DATE.** This section is effective January 1, 2017, if the commissioner
225.30 of public safety has advised the revisor of statutes that the cost of the requirements of the
225.31 section can be absorbed within existing appropriations from the vehicle services operating
225.32 account in the special revenue fund.

225.33 Sec. 12. Minnesota Statutes 2014, section 169.345, subdivision 2, is amended to read:

226.1 Subd. 2. **Definitions.** (a) For the purpose of section 168.021 and this section, the
226.2 following terms have the meanings given them in this subdivision.

226.3 (b) "Health professional" means a licensed physician, licensed physician assistant,
226.4 advanced practice registered nurse, or licensed chiropractor.

226.5 (c) "Long-term certificate" means a certificate issued for a period greater than 12
226.6 months but not greater than 71 months.

226.7 (d) "Organization certificate" means a certificate issued to an entity other than a
226.8 natural person for a period of three years.

226.9 (e) "Permit" refers to a permit that is issued for a period of 30 days, in lieu of the
226.10 certificate referred to in subdivision 3, while the application is being processed.

226.11 (f) "Physically disabled person" means a person who:

226.12 (1) because of disability cannot walk without significant risk of falling;

226.13 (2) because of disability cannot walk 200 feet without stopping to rest;

226.14 (3) because of disability cannot walk without the aid of another person, a walker, a
226.15 cane, crutches, braces, a prosthetic device, or a wheelchair;

226.16 (4) is restricted by a respiratory disease to such an extent that the person's forced
226.17 (respiratory) expiratory volume for one second, when measured by spirometry, is less
226.18 than one liter;

226.19 (5) has an arterial oxygen tension (PaO₂) of less than 60 mm/Hg on room air at rest;

226.20 (6) uses portable oxygen;

226.21 (7) has a cardiac condition to the extent that the person's functional limitations are
226.22 classified in severity as class III or class IV according to standards set by the American
226.23 Heart Association;

226.24 (8) has lost an arm or a leg and does not have or cannot use an artificial limb; ~~or~~

226.25 (9) has a disability that would be aggravated by walking 200 feet under normal
226.26 environmental conditions to an extent that would be life threatening; or

226.27 (10) has been diagnosed with a form of dementia that is progressive in nature with
226.28 physical complications, or the condition either impacts activities of daily living or presents
226.29 an unreasonable safety risk.

226.30 (g) "Short-term certificate" means a certificate issued for a period greater than six
226.31 months but not greater than 12 months.

226.32 (h) "Six-year certificate" means a certificate issued for a period of six years.

226.33 (i) "Temporary certificate" means a certificate issued for a period not greater than
226.34 six months.

226.35 Sec. 13. Minnesota Statutes 2014, section 169.345, subdivision 3, is amended to read:

227.1 Subd. 3. **Identifying certificate.** (a) The commissioner shall issue (1) immediately,
 227.2 a permit valid for 30 days if the person is eligible for the certificate issued under this
 227.3 section and (2) an identifying certificate for a vehicle described in section 168.021,
 227.4 subdivision 1, paragraph (a), when a physically disabled applicant submits proof of
 227.5 physical disability under subdivision 2a. The commissioner shall design separate
 227.6 certificates for persons with permanent and temporary disabilities that can be readily
 227.7 distinguished from each other from outside a vehicle at a distance of 25 feet or, in the
 227.8 case of a motorcycle or a motorized bicycle, can be readily secured to the motorcycle or
 227.9 motorized bicycle. An applicant may be issued up to two certificates if the applicant has
 227.10 not been issued disability plates under section 168.021.

227.11 (b) The operator of a vehicle displaying a certificate has the parking privileges
 227.12 provided in subdivision 1 only while the vehicle is actually parked while transporting a
 227.13 physically disabled person.

227.14 (c) The commissioner shall cancel all certificates issued to an applicant who fails to
 227.15 comply with the requirements of this subdivision.

227.16 **EFFECTIVE DATE.** This section is effective January 1, 2017, if the commissioner
 227.17 of public safety has advised the revisor of statutes that the cost of the requirements of the
 227.18 section can be absorbed within existing appropriations from the vehicle services operating
 227.19 account in the special revenue fund.

227.20 Sec. 14. Minnesota Statutes 2014, section 171.06, subdivision 2, is amended to read:

227.21 Subd. 2. **Fees.** (a) The fees for a license and Minnesota identification card are
 227.22 as follows:

227.23	Classified Driver's License	D-\$17.25	C-\$21.25	B-\$28.25	A-\$36.25
227.24	Classified Under-21 D.L.	D-\$17.25	C-\$21.25	B-\$28.25	A-\$16.25
227.25	Enhanced Driver's License	D-\$32.25	C-\$36.25	B-\$43.25	A-\$51.25
227.26	Instruction Permit				\$5.25
227.27	Enhanced Instruction				
227.28	Permit				\$20.25
227.29	Commercial Learner's				
227.30	Permit				\$2.50
227.31	Provisional License				\$8.25
227.32	Enhanced Provisional				
227.33	License				\$23.25
227.34	Duplicate License or				
227.35	duplicate identification				
227.36	card				\$6.75

228.1	Enhanced Duplicate	
228.2	License or enhanced	
228.3	duplicate identification	
228.4	card	\$21.75
228.5	Minnesota identification	
228.6	card or Under-21	
228.7	Minnesota identification	
228.8	card, other than duplicate,	
228.9	except as otherwise	
228.10	provided in section 171.07,	
228.11	subdivisions 3 and 3a	\$11.25
228.12	Enhanced Minnesota	
228.13	identification card	\$26.25

228.14 In addition to each fee required in this paragraph, the commissioner shall collect a
 228.15 surcharge of: (1) \$1.75 until June 30, 2012; and (2) \$1.00 from July 1, 2012, to June 30,
 228.16 ~~2016~~ 2019. Surcharges collected under this paragraph must be credited to the driver and
 228.17 vehicle services technology account in the special revenue fund under section 299A.705.

228.18 (b) Notwithstanding paragraph (a), an individual who holds a provisional license and
 228.19 has a driving record free of (1) convictions for a violation of section 169A.20, 169A.33,
 228.20 169A.35, or sections 169A.50 to 169A.53, (2) convictions for crash-related moving
 228.21 violations, and (3) convictions for moving violations that are not crash related, shall have a
 228.22 \$3.50 credit toward the fee for any classified under-21 driver's license. "Moving violation"
 228.23 has the meaning given it in section 171.04, subdivision 1.

228.24 (c) In addition to the driver's license fee required under paragraph (a), the
 228.25 commissioner shall collect an additional \$4 processing fee from each new applicant
 228.26 or individual renewing a license with a school bus endorsement to cover the costs for
 228.27 processing an applicant's initial and biennial physical examination certificate. The
 228.28 department shall not charge these applicants any other fee to receive or renew the
 228.29 endorsement.

228.30 (d) In addition to the fee required under paragraph (a), a driver's license agent may
 228.31 charge and retain a filing fee as provided under section 171.061, subdivision 4.

228.32 (e) In addition to the fee required under paragraph (a), the commissioner shall
 228.33 charge a filing fee at the same amount as a driver's license agent under section 171.061,
 228.34 subdivision 4. Revenue collected under this paragraph must be deposited in the driver
 228.35 services operating account.

228.36 (f) An application for a Minnesota identification card, instruction permit, provisional
 228.37 license, or driver's license, including an application for renewal, must contain a provision
 228.38 that allows the applicant to add to the fee under paragraph (a), a \$2 donation for the
 228.39 purposes of public information and education on anatomical gifts under section 171.075.

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

229.2 Sec. 15. Minnesota Statutes 2014, section 174.185, is amended to read:

229.3 **174.185 PAVEMENT LIFE-CYCLE COST ANALYSIS.**

229.4 Subdivision 1. **Definitions.** For the purposes of this section, the following
229.5 definitions apply.

229.6 (a) "Life-cycle cost" is the sum of the cost of the initial pavement project and
229.7 all anticipated costs for maintenance, repair, and resurfacing over the life of the
229.8 pavement. Anticipated costs must be based on Minnesota's actual or reasonably projected
229.9 maintenance, repair, and resurfacing schedules, and costs determined by the Department
229.10 of Transportation district personnel based upon recently awarded local projects and
229.11 experience with local material costs.

229.12 (b) "Life-cycle cost analysis" is a comparison of life-cycle costs among competing
229.13 paving materials using ~~equal design lives and~~ equal comparison periods.

229.14 Subd. 2. **Required analysis.** For each project in the reconditioning, resurfacing,
229.15 and road repair funding categories, the commissioner shall perform a life-cycle cost
229.16 analysis and shall document the lowest life-cycle costs and all alternatives considered.
229.17 The commissioner shall document the chosen pavement strategy and, if the lowest life
229.18 cycle is not selected, document the justification for the chosen strategy. ~~A life-cycle cost
229.19 analysis is required for projects to be constructed after July 1, 2011. For projects to be
229.20 constructed prior to July 1, 2011, when feasible, the department will use its best efforts to
229.21 perform life-cycle cost analyses.~~

229.22 Subd. 3. **Report.** The commissioner shall report ~~annually~~ by January 15 of each
229.23 year to the chairs and ranking minority members of the senate and house of representatives
229.24 committees with jurisdiction over transportation finance ~~beginning on January 1, 2012,~~ the
229.25 results of the analyses required in subdivision 2.

229.26 Sec. 16. Minnesota Statutes 2014, section 174.30, subdivision 1, is amended to read:

229.27 Subdivision 1. **Applicability.** (a) The operating standards for special transportation
229.28 service adopted under this section do not apply to special transportation provided by:

229.29 (1) ~~a common carrier operating on fixed routes and schedules~~ public transit provider
229.30 receiving financial assistance under sections 174.24 or 473.371 to 473.449;

229.31 (2) a volunteer driver using a private automobile;

229.32 (3) a school bus as defined in section 169.011, subdivision 71; or

229.33 (4) an emergency ambulance regulated under chapter 144.

230.1 (b) The operating standards adopted under this section only apply to providers
230.2 of special transportation service who receive grants or other financial assistance from
230.3 either the state or the federal government, or both, to provide or assist in providing that
230.4 service; except that the operating standards adopted under this section do not apply
230.5 to any nursing home licensed under section 144A.02, to any board and care facility
230.6 licensed under section 144.50, or to any day training and habilitation services, day care,
230.7 or group home facility licensed under sections 245A.01 to 245A.19 unless the facility or
230.8 program provides transportation to nonresidents on a regular basis and the facility receives
230.9 reimbursement, other than per diem payments, for that service under rules promulgated
230.10 by the commissioner of human services.

230.11 (c) Notwithstanding paragraph (b), the operating standards adopted under this
230.12 section do not apply to any vendor of services licensed under chapter 245D that provides
230.13 transportation services to consumers or residents of other vendors licensed under chapter
230.14 245D and transports 15 or fewer persons, including consumers or residents and the driver.

230.15 Sec. 17. Minnesota Statutes 2014, section 174.30, is amended by adding a subdivision
230.16 to read:

230.17 Subd. 1a. **Definition.** For purposes of this section, unless the context clearly
230.18 indicates otherwise, "disqualified" means an individual disqualified under chapter 245C
230.19 who has not received a disqualification set-aside under sections 245C.22 and 245C.23
230.20 specific to that special transportation service provider.

230.21 Sec. 18. Minnesota Statutes 2015 Supplement, section 174.30, subdivision 4, is
230.22 amended to read:

230.23 **Subd. 4. Vehicle and equipment inspection; rules; decal; complaint contact**
230.24 **information; restrictions on name of service.** (a) The commissioner shall inspect or
230.25 provide for the inspection of vehicles at least annually. In addition to scheduled annual
230.26 inspections and reinspections scheduled for the purpose of verifying that deficiencies have
230.27 been corrected, unannounced inspections of any vehicle may be conducted.

230.28 (b) On determining that a vehicle or vehicle equipment is in a condition that is likely
230.29 to cause an accident or breakdown, the commissioner shall require the vehicle to be taken
230.30 out of service immediately. The commissioner shall require that vehicles and equipment
230.31 not meeting standards be repaired and brought into conformance with the standards
230.32 and shall require written evidence of compliance from the operator before allowing the
230.33 operator to return the vehicle to service. The commissioner may prohibit a vehicle from

231.1 being placed in or returned to service under a certificate of compliance until the vehicle
231.2 fully complies with all of the requirements in Minnesota Rules, chapter 8840.

231.3 (c) The commissioner shall provide in the rules procedures for inspecting vehicles,
231.4 removing unsafe vehicles from service, determining and requiring compliance, and
231.5 reviewing driver qualifications.

231.6 (d) The commissioner shall design a distinctive decal to be issued to special
231.7 transportation service providers with a current certificate of compliance under this section.
231.8 A decal is valid for one year from the last day of the month in which it is issued. A person
231.9 who is subject to the operating standards adopted under this section may not provide
231.10 special transportation service in a vehicle that does not conspicuously display a decal
231.11 issued by the commissioner.

231.12 (e) All special transportation service providers shall pay an annual fee of \$45
231.13 to obtain a decal. Providers of ambulance service, as defined in section 144E.001,
231.14 subdivision 3, are exempt from the annual fee. Fees collected under this paragraph must
231.15 be deposited in the trunk highway fund, and are appropriated to the commissioner to pay
231.16 for costs related to administering the special transportation service program.

231.17 (f) Special transportation service providers shall prominently display in each vehicle
231.18 all contact information for the submission of complaints regarding the transportation
231.19 services provided to that individual. All vehicles providing service under section
231.20 473.386 shall display contact information for the Metropolitan Council. All other special
231.21 transportation service vehicles shall display contact information for the commissioner of
231.22 transportation.

231.23 (g) Nonemergency medical transportation providers must comply with Minnesota
231.24 Rules, part 8840.5450, except that a provider may use the phrase "nonemergency medical
231.25 transportation" in its name or in advertisements or information describing the service.

231.26 Sec. 19. Minnesota Statutes 2014, section 174.30, subdivision 4a, is amended to read:

231.27 Subd. 4a. **Certification of special transportation provider.** (a) The commissioner
231.28 may refuse to issue a certificate of compliance if an individual specified in subdivision 10,
231.29 paragraph (a), clauses (1) to (3), is disqualified.

231.30 (b) The commissioner shall annually evaluate or provide for the evaluation of each
231.31 provider of special transportation service regulated under this section and certify that the
231.32 provider is in compliance with the standards under this section.

231.33 Sec. 20. Minnesota Statutes 2014, section 174.30, subdivision 8, is amended to read:

232.1 Subd. 8. **Administrative penalties; loss of certificate of compliance.** (a) The
232.2 commissioner may issue an order requiring violations of this section and the operating
232.3 standards adopted under this section to be corrected and assessing monetary penalties
232.4 of up to \$1,000 for all violations identified during a single inspection, investigation,
232.5 or audit. Section 221.036 applies to administrative penalty orders issued under this
232.6 section or section 174.315. The commissioner shall suspend, without a hearing, a special
232.7 transportation service provider's certificate of compliance for failure to pay, or make
232.8 satisfactory arrangements to pay, an administrative penalty when due.

232.9 (b) If the commissioner determines that an individual subject to background studies
232.10 under subdivision 10, paragraph (a), is disqualified, the commissioner must issue a written
232.11 notice ordering the special transportation service provider to immediately cease permitting
232.12 the individual to perform services or functions listed in subdivision 10, paragraph (a). The
232.13 written notice must include a warning that failure to comply with the order may result in
232.14 the suspension or revocation of the provider's certificate of compliance under this section.

232.15 (c) The commissioner may suspend or revoke a provider's certificate of compliance
232.16 upon determining that, following receipt by a provider of written notice under paragraph
232.17 (b), the individual has continued to perform services or functions listed in subdivision 10,
232.18 paragraph (a), for the provider. A provider whose certificate is suspended or revoked may
232.19 appeal the commissioner's action in a contested case proceeding under chapter 14.

232.20 (d) Penalties collected under this section must be deposited in the state treasury
232.21 and credited to the trunk highway fund.

232.22 Sec. 21. Minnesota Statutes 2015 Supplement, section 174.30, subdivision 10, is
232.23 amended to read:

232.24 Subd. 10. **Background studies.** (a) Providers of special transportation service
232.25 regulated under this section must initiate background studies in accordance with chapter
232.26 245C on the following individuals:

232.27 (1) each person with a direct or indirect ownership interest of five percent or higher
232.28 in the transportation service provider;

232.29 (2) each controlling individual as defined under section 245A.02, subdivision 5a;

232.30 (3) managerial officials as defined in section 245A.02, subdivision 5a;

232.31 (4) each driver employed by the transportation service provider;

232.32 (5) each individual employed by the transportation service provider to assist a
232.33 passenger during transport; and

232.34 (6) all employees of the transportation service agency who provide administrative
232.35 support, including those who:

233.1 (i) may have face-to-face contact with or access to passengers, their personal
233.2 property, or their private data;

233.3 (ii) perform any scheduling or dispatching tasks; or

233.4 (iii) perform any billing activities.

233.5 (b) The transportation service provider must initiate the background studies required
233.6 under paragraph (a) using the online NETStudy system operated by the commissioner
233.7 of human services.

233.8 (c) The transportation service provider shall not permit any individual to provide
233.9 any service or function listed in paragraph (a) until the transportation service provider
233.10 has received notification from the commissioner of human services indicating that the
233.11 individual:

233.12 (1) is not disqualified under chapter 245C; or

233.13 (2) is disqualified, but has received a set-aside of that disqualification according to
233.14 ~~section~~ sections 245C.22 and 245C.23 related to that transportation service provider.

233.15 (d) When a local or contracted agency is authorizing a ride under section 256B.0625,
233.16 subdivision 17, by a volunteer driver, and the agency authorizing the ride has reason
233.17 to believe the volunteer driver has a history that would disqualify the individual or
233.18 that may pose a risk to the health or safety of passengers, the agency may initiate a
233.19 background study to be completed according to chapter 245C using the commissioner
233.20 of human services' online NETStudy system, or through contacting the Department of
233.21 Human Services background study division for assistance. The agency that initiates the
233.22 background study under this paragraph shall be responsible for providing the volunteer
233.23 driver with the privacy notice required under section 245C.05, subdivision 2c, and
233.24 payment for the background study required under section 245C.10, subdivision 11, before
233.25 the background study is completed.

233.26 Sec. 22. Minnesota Statutes 2014, section 219.015, is amended to read:

233.27 **219.015 STATE RAIL SAFETY ~~INSPECTOR~~ INSPECTION PROGRAM.**

233.28 Subdivision 1. **Positions established; duties.** (a) The commissioner of
233.29 transportation shall establish three state rail safety inspector positions ~~in the Office~~
233.30 ~~of Freight and Commercial Vehicle Operations of the Minnesota Department of~~
233.31 ~~Transportation. On or after July 1, 2015, and~~ the commissioner may establish a fourth up
233.32 to nine state rail safety inspector ~~position~~ positions following consultation with railroad
233.33 companies. The commissioner shall apply to and enter into agreements with the Federal
233.34 Railroad Administration (FRA) of the United States Department of Transportation
233.35 to participate in the federal State Rail Safety Participation Program for training and

234.1 certification of an inspector under authority of United States Code, title 49, sections 20103,
234.2 20105, 20106, and 20113, and Code of Federal Regulations, title 49, part 212.

234.3 (b) A state rail safety inspector ~~shall~~ may inspect mainline track, secondary
234.4 track, and yard and industry track; inspect railroad right-of-way, including adjacent or
234.5 intersecting drainage, culverts, bridges, overhead structures, and traffic and other public
234.6 crossings; inspect yards and physical plants; inspect train equipment; review and enforce
234.7 safety requirements; review maintenance and repair records; and review railroad security
234.8 measures.

234.9 (c) A state rail safety inspector may perform, but is not limited to, the duties
234.10 described in the federal State Rail Safety Participation Program. An inspector may train,
234.11 be certified, and participate in any of the federal State Rail Safety Participation Program
234.12 disciplines, including: track, signal and train control, motive power and equipment,
234.13 operating practices compliance, hazardous materials, and highway-rail grade crossings.

234.14 (d) To the extent delegated by the Federal Railroad Administration and authorized
234.15 by the commissioner, an inspector may issue citations for violations of this chapter, or to
234.16 ensure railroad employee and public safety and welfare.

234.17 **Subd. 2. Railroad company assessment; account; appropriation.** (a) As provided
234.18 in this subdivision, the commissioner shall annually assess railroad companies that are
234.19 (1) defined as common carriers under section 218.011; (2) classified by federal law
234.20 or regulation as Class I Railroads, Class I Rail Carriers, Class II Railroads, or Class II
234.21 Carriers; and (3) operating in this state.

234.22 (b) The assessment must be ~~by a division of~~ calculated to allocate state rail
234.23 safety ~~inspector inspection~~ program costs in equal proportion between proportionally
234.24 among carriers based on route miles operated in Minnesota, ~~assessed in equal amounts~~
234.25 ~~for 365 days of the calendar year~~ at the time of assessment. The commissioner shall
234.26 assess include in the assessment calculation all program or additional position start-up
234.27 or re-establishment costs; ~~all related costs of initiating~~ the state rail safety ~~inspector~~
234.28 inspection program, including but not limited to inspection, administration, supervision,
234.29 travel, equipment, and training; and costs of ongoing state rail inspector duties.

234.30 (c) The assessments collected under this subdivision must be deposited in a ~~special~~
234.31 ~~account in the special revenue fund, to be known as the~~ state rail safety inspection account,
234.32 which is established in the special revenue fund. The account consists of funds as provided
234.33 by this subdivision, and any other money donated, allotted, transferred, or otherwise
234.34 provided to the account. Money in the account is appropriated to the commissioner for
234.35 the establishment and ongoing responsibilities of the state rail safety ~~inspector inspection~~
234.36 program.

235.1 Subd. 3. **Work site safety coaching program.** The commissioner may exempt a
235.2 common carrier not federally classified as Class I from violations for a period of up to
235.3 two years if the common carrier applies for participation in a work site safety coaching
235.4 program, such as the "MNSharp" program administered by the Minnesota Department of
235.5 Labor and Industry, and the commissioner determines such participation to be preferred
235.6 enforcement for safety or security violations.

235.7 Subd. 4. **Appeal.** Any person aggrieved by an assessment levied under this section
235.8 may appeal within 90 days any assessment, violation, or administrative penalty to the
235.9 Office of Administrative Hearings, with further appeal and review by the district court.

235.10 Subd. 5. **Inspection program information.** (a) The commissioner must maintain
235.11 on the department's public Web site information on state rail safety inspection program
235.12 activity under this section.

235.13 (b) At a minimum, the Web site information must include:

235.14 (1) summaries of defects and violations by (i) railroad company, (ii) shipper
235.15 company, (iii) State Rail Safety Participation Program discipline, (iv) type of defect or
235.16 violation, (v) level of severity, and (vi) geographic location such as city or region;

235.17 (2) to the extent permitted by federal law, inspection reports or basic details
235.18 regarding any identified critical or major defects, or critical or major violations;

235.19 (3) a summary of any enforcement activity;

235.20 (4) a review of corrective actions taken; and

235.21 (5) a review of revenue sources for and summary of expenditures from the state rail
235.22 safety inspection account.

235.23 (c) In addition, the Web site information must include railroad bridge inspection
235.24 reports provided to the commissioner under section 219.925, subdivision 5.

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

235.26 Sec. 23. Minnesota Statutes 2014, section 219.1651, is amended to read:

235.27 **219.1651 GRADE CROSSING SAFETY ACCOUNT.**

235.28 A Minnesota grade crossing safety account is created in the special revenue fund;
235.29 ~~consisting of money credited to the account by law.~~ The account consists of funds as
235.30 provided by law, and any other money donated, allotted, transferred, or otherwise provided
235.31 to the account. Money in the account is appropriated to the commissioner of transportation
235.32 for rail-highway grade crossing safety projects on public streets and highways, including
235.33 planning, engineering costs, and other costs associated with the administration and delivery

236.1 of grade crossing safety projects. At the discretion of the commissioner of transportation,
236.2 money in the account at the end of each biennium may cancel to the trunk highway fund.

236.3 Sec. 24. **[219.925] INCIDENT EMERGENCY RESPONSE; PREPAREDNESS**
236.4 **AND INFORMATION.**

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

236.7 (b) "Emergency manager" means the director of a local organization for emergency
236.8 management under section 12.25.

236.9 (c) "Hazardous substance" has the meaning given in Code of Federal Regulations,
236.10 title 49, section 171.8.

236.11 (d) "Oil" has the meaning given in section 115E.01, subdivision 8.

236.12 (e) "Rail carrier" means a railroad company that is (1) defined as a common carrier
236.13 under section 218.011; (2) classified by federal law or regulation as Class I Railroad, Class
236.14 I Rail Carrier, Class II Railroad, Class II Carrier, Class III Railroad, or Class III Carrier;
236.15 and (3) operating in this state.

236.16 Subd. 2. **Emergency response capability notification.** (a) A rail carrier must
236.17 provide an emergency response capability notification to each emergency manager and fire
236.18 chief having jurisdiction along the routes over which oil and other hazardous substances
236.19 are transported and to the commissioner of public safety. At a minimum, the notification
236.20 must include geographic inventories of:

236.21 (1) life-safety emergency response equipment and related major supplies, including
236.22 details on fire-suppression equipment, equipment capacity, and supply amounts; and

236.23 (2) response staff, including information on number and expertise areas of personnel
236.24 responding from each geographic location.

236.25 (b) Each inventory under paragraph (a), clauses (1) and (2), must specify storage
236.26 or starting locations of equipment, supplies, and personnel, and must provide estimates
236.27 of travel times to a sample of reasonable locations along the routes over which oil and
236.28 other hazardous substances are transported.

236.29 (c) A rail carrier must promptly provide an updated notification following any
236.30 material change in the information under this subdivision.

236.31 Subd. 3. **Route planning risk assessment.** A rail carrier must provide a copy of
236.32 the route planning and analysis, including risk assessment information, required under
236.33 Code of Federal Regulations, title 49, section 172.820, or successor requirements, to each
236.34 emergency manager and fire chief having jurisdiction along the routes over which oil and
236.35 other hazardous substances are transported and to the commissioner of public safety.

237.1 Subd. 4. **Hazardous materials response plans.** A rail carrier must provide a copy of
237.2 the carrier's hazardous materials emergency response plan to each emergency manager and
237.3 fire chief having jurisdiction along the routes over which oil and other hazardous substances
237.4 are transported for integration and coordination with local emergency operations planning.

237.5 Subd. 5. **Bridge inspection reports.** A rail carrier must provide a copy of bridge
237.6 inspection reports on railroad bridges along the routes over which oil and other hazardous
237.7 substances are transported to:

237.8 (1) each emergency manager, for those bridges located within the emergency
237.9 manager's jurisdiction;

237.10 (2) each city or county engineer, for those bridges over a roadway under the
237.11 engineer's jurisdiction; and

237.12 (3) the commissioner of transportation, for all applicable bridges.

237.13 Subd. 6. **Software program; comprehensive oil and other hazardous materials**
237.14 **transportation tracking.** (a) All rail carriers subject to this section shall collectively
237.15 maintain a single software program that must be accessible both by a downloadable
237.16 application and by means of the Internet. The program must provide comprehensive,
237.17 accurate, and real-time information regarding transportation of oil and other hazardous
237.18 substances.

237.19 (b) At a minimum, the software program must:

237.20 (1) contain data that is updated on a real-time basis, including, as practicable,
237.21 updates due to rail car switching, assembly and disassembly, and storage operations;

237.22 (2) contain information on all tanker railcars carrying oil and other hazardous
237.23 substances in this state, which must include:

237.24 (i) identification of the specific substance in each railcar; and

237.25 (ii) reasonable estimates of the volume of the substance in each railcar;

237.26 (3) be available to emergency first responders having jurisdiction along the routes
237.27 over which oil and other hazardous substances are transported, and to employees in the
237.28 Department of Public Safety designated by the commissioner of public safety; and

237.29 (4) provide a user interface that is accessible by authorized individuals through a
237.30 Web site.

237.31 (c) The requirement under paragraph (b), clause (3), does not prevent access through
237.32 software applications on wireless communications devices if it is made available for
237.33 each operating system commonly in use.

237.34 Subd. 7. **Data-sharing requirements.** (a) A rail carrier must provide all data
237.35 required under subdivisions 2 to 6 in its entirety, without abridgment.

238.1 (b) A railroad is prohibited from, as a condition of providing any data required under
238.2 this section, requiring an emergency manager or fire chief to enter into an agreement that
238.3 restricts the ability of the emergency manager or fire chief to share the data with:

238.4 (1) local emergency responders in the same jurisdiction; or

238.5 (2) other emergency managers or fire chiefs, if information sharing is for emergency
238.6 life-safety response planning and coordination purposes.

238.7 Subd. 8. **Transported substances community notice.** (a) As provided in this
238.8 subdivision, each rail carrier must provide a community notice concerning all oil and other
238.9 hazardous substance transportation within or through the state. The notice requirement
238.10 under this subdivision does not apply to transportation of goods that are not oil or other
238.11 hazardous substances. All rail carriers subject to this section must collectively maintain
238.12 the community notices on a public Web site.

238.13 (b) A notice under this subdivision must include:

238.14 (1) the specific routes over which the oil or other hazardous substance is transported;

238.15 (2) the transportation schedule, including the time, frequency, and volume of oil or
238.16 other hazardous substance transported on a daily or other reasonable basis as authorized
238.17 by the commissioner;

238.18 (3) the number of tanker railcars transported;

238.19 (4) a description of the material transported, including, as applicable, the gravity as
238.20 measured by industry standards and the vapor pressure;

238.21 (5) all applicable emergency response information required under Code of Federal
238.22 Regulations, title 49, part 172, subpart G, or successor requirements; and

238.23 (6) contact information, including name, title, telephone number, and address, of
238.24 at least one qualified company employee who is responsible for serving as a point of
238.25 contact for discharge response.

238.26 (c) A railroad must provide a community notice prior to transporting oil and other
238.27 hazardous substances, and must provide an updated notice prior to any material change in
238.28 the information under paragraph (b).

238.29 **EFFECTIVE DATE.** This section is effective July 1, 2016, except that subdivision
238.30 6 is effective July 1, 2017.

238.31 Sec. 25. Minnesota Statutes 2014, section 222.49, is amended to read:

238.32 **222.49 RAIL SERVICE IMPROVEMENT ACCOUNT; APPROPRIATION.**

238.33 The rail service improvement account is created in the special revenue fund in
238.34 ~~the state treasury.~~ The commissioner shall deposit in this account all consists of funds

239.1 ~~as provided by law, and any other money appropriated to or received by the department~~
239.2 ~~for the purpose of rail service improvement~~ donated, allotted, transferred, or otherwise
239.3 provided to the account, excluding bond proceeds as authorized by article XI, section 5,
239.4 clause (i), of the Minnesota Constitution. All money so deposited is appropriated to the
239.5 department for expenditure for rail service improvement in accordance with applicable
239.6 state and federal law. This appropriation shall not lapse but shall be available until the
239.7 purpose for which it was appropriated has been accomplished. No money appropriated to
239.8 the department for the purposes of administering the rail service improvement program
239.9 shall be deposited in the rail service improvement account nor shall such administrative
239.10 costs be paid from the account.

239.11 Sec. 26. Minnesota Statutes 2014, section 222.50, subdivision 6, is amended to read:

239.12 Subd. 6. **Grants.** The commissioner may approve grants from the rail service
239.13 improvement account for ~~payment of up to 50 percent of the nonfederal share of the cost~~
239.14 ~~of any rail line project under the federal rail service continuation program~~ freight rail
239.15 service improvements that support economic development.

239.16 Sec. 27. Minnesota Statutes 2015 Supplement, section 222.50, subdivision 7, is
239.17 amended to read:

239.18 Subd. 7. **Expenditures.** (a) The commissioner may expend money from the rail
239.19 service improvement account for the following purposes:

239.20 (1) to make transfers as provided under section 222.57 or to pay interest adjustments
239.21 on loans guaranteed under the state rail user and rail carrier loan guarantee program;

239.22 (2) to pay a portion of the costs of capital improvement projects designed to improve
239.23 rail service of a rail user or a rail carrier;

239.24 (3) to pay a portion of the costs of rehabilitation projects designed to improve rail
239.25 service of a rail user or a rail carrier;

239.26 (4) to acquire, maintain, manage, and dispose of railroad right-of-way pursuant to
239.27 the state rail bank program;

239.28 (5) to provide for aerial photography survey of proposed and abandoned railroad
239.29 tracks for the purpose of recording and reestablishing by analytical triangulation the
239.30 existing alignment of the in-place track;

239.31 (6) to pay a portion of the costs of acquiring a rail line by a regional railroad
239.32 authority established pursuant to chapter 398A;

239.33 (7) to pay the state matching portion of federal grants for rail-highway grade
239.34 crossing improvement projects;

240.1 (8) ~~for expenditures made before July 1, 2017, to pay the state matching portion~~
240.2 ~~of grants under the federal Transportation Investment Generating Economic Recovery~~
240.3 ~~(TIGER) program of the United States Department of Transportation to pay the state~~
240.4 matching portion of federal grants for freight rail projects;

240.5 (9) to fund rail planning studies activities and other administrative and program
240.6 expenses; and

240.7 (10) to pay a portion of the costs of capital improvement projects designed to
240.8 improve capacity or safety at rail yards.

240.9 (b) All money derived by the commissioner from the disposition of railroad
240.10 right-of-way or of any other property acquired pursuant to sections 222.46 to 222.62 shall
240.11 be deposited in the rail service improvement account.

240.12 Sec. 28. Minnesota Statutes 2015 Supplement, section 256B.0625, subdivision 17,
240.13 is amended to read:

240.14 Subd. 17. **Transportation costs.** (a) "Nonemergency medical transportation service"
240.15 means motor vehicle transportation provided by a public or private person that serves
240.16 Minnesota health care program beneficiaries who do not require emergency ambulance
240.17 service, as defined in section 144E.001, subdivision 3, to obtain covered medical services.

240.18 (b) Medical assistance covers medical transportation costs incurred solely for
240.19 obtaining emergency medical care or transportation costs incurred by eligible persons in
240.20 obtaining emergency or nonemergency medical care when paid directly to an ambulance
240.21 company, common carrier, or other recognized providers of transportation services.

240.22 Medical transportation must be provided by:

240.23 (1) nonemergency medical transportation providers who meet the requirements
240.24 of this subdivision;

240.25 (2) ambulances, as defined in section 144E.001, subdivision 2;

240.26 (3) taxicabs;

240.27 (4) public transit, as defined in section 174.22, subdivision 7; or

240.28 (5) not-for-hire vehicles, including volunteer drivers.

240.29 (c) Medical assistance covers nonemergency medical transportation provided by
240.30 nonemergency medical transportation providers enrolled in the Minnesota health care
240.31 programs. All nonemergency medical transportation providers must comply with the
240.32 operating standards for special transportation service as defined in sections 174.29 to
240.33 174.30 and Minnesota Rules, chapter 8840, and in consultation with the Minnesota
240.34 Department of Transportation. All nonemergency medical transportation providers shall
240.35 bill for nonemergency medical transportation services in accordance with Minnesota

241.1 health care programs criteria. Publicly operated transit systems, volunteers, and
241.2 not-for-hire vehicles are exempt from the requirements outlined in this paragraph.

241.3 (d) An organization may be terminated, denied, or suspended from enrollment if:

241.4 (1) the provider has not initiated background studies on the individuals specified in
241.5 section 174.30, subdivision 10, paragraph (a), clauses (1) to (3); or

241.6 (2) the provider has initiated background studies on the individuals specified in
241.7 section 174.30, subdivision 10, paragraph (a), clauses (1) to (3), and:

241.8 (i) the commissioner has sent the provider a notice that the individual has been
241.9 disqualified under section 245C.14; and

241.10 (ii) the individual has not received a disqualification set-aside specific to the special
241.11 transportation services provider under sections 245C.22 and 245C.23.

241.12 ~~(d)~~ (e) The administrative agency of nonemergency medical transportation must:

241.13 (1) adhere to the policies defined by the commissioner in consultation with the
241.14 Nonemergency Medical Transportation Advisory Committee;

241.15 (2) pay nonemergency medical transportation providers for services provided to
241.16 Minnesota health care programs beneficiaries to obtain covered medical services;

241.17 (3) provide data monthly to the commissioner on appeals, complaints, no-shows,
241.18 canceled trips, and number of trips by mode; and

241.19 (4) by July 1, 2016, in accordance with subdivision 18e, utilize a Web-based single
241.20 administrative structure assessment tool that meets the technical requirements established
241.21 by the commissioner, reconciles trip information with claims being submitted by
241.22 providers, and ensures prompt payment for nonemergency medical transportation services.

241.23 ~~(e)~~ (f) Until the commissioner implements the single administrative structure and
241.24 delivery system under subdivision 18e, clients shall obtain their level-of-service certificate
241.25 from the commissioner or an entity approved by the commissioner that does not dispatch
241.26 rides for clients using modes of transportation under paragraph ~~(h)~~ (i), clauses (4), (5),
241.27 (6), and (7).

241.28 ~~(f)~~ (g) The commissioner may use an order by the recipient's attending physician or
241.29 a medical or mental health professional to certify that the recipient requires nonemergency
241.30 medical transportation services. Nonemergency medical transportation providers shall
241.31 perform driver-assisted services for eligible individuals, when appropriate. Driver-assisted
241.32 service includes passenger pickup at and return to the individual's residence or place of
241.33 business, assistance with admittance of the individual to the medical facility, and assistance
241.34 in passenger securement or in securing of wheelchairs or stretchers in the vehicle.

241.35 Nonemergency medical transportation providers must take clients to the health care
241.36 provider using the most direct route, and must not exceed 30 miles for a trip to a primary

242.1 care provider or 60 miles for a trip to a specialty care provider, unless the client receives
242.2 authorization from the local agency.

242.3 Nonemergency medical transportation providers may not bill for separate base rates
242.4 for the continuation of a trip beyond the original destination. Nonemergency medical
242.5 transportation providers must maintain trip logs, which include pickup and drop-off times,
242.6 signed by the medical provider or client, whichever is deemed most appropriate, attesting
242.7 to mileage traveled to obtain covered medical services. Clients requesting client mileage
242.8 reimbursement must sign the trip log attesting mileage traveled to obtain covered medical
242.9 services.

242.10 ~~(g)~~ (h) The administrative agency shall use the level of service process established
242.11 by the commissioner in consultation with the Nonemergency Medical Transportation
242.12 Advisory Committee to determine the client's most appropriate mode of transportation.
242.13 If public transit or a certified transportation provider is not available to provide the
242.14 appropriate service mode for the client, the client may receive a onetime service upgrade.

242.15 ~~(h)~~ (i) The covered modes of transportation, which may not be implemented without
242.16 a new rate structure, are:

242.17 (1) client reimbursement, which includes client mileage reimbursement provided to
242.18 clients who have their own transportation, or to family or an acquaintance who provides
242.19 transportation to the client;

242.20 (2) volunteer transport, which includes transportation by volunteers using their
242.21 own vehicle;

242.22 (3) unassisted transport, which includes transportation provided to a client by a
242.23 taxicab or public transit. If a taxicab or public transit is not available, the client can receive
242.24 transportation from another nonemergency medical transportation provider;

242.25 (4) assisted transport, which includes transport provided to clients who require
242.26 assistance by a nonemergency medical transportation provider;

242.27 (5) lift-equipped/ramp transport, which includes transport provided to a client who
242.28 is dependent on a device and requires a nonemergency medical transportation provider
242.29 with a vehicle containing a lift or ramp;

242.30 (6) protected transport, which includes transport provided to a client who has
242.31 received a prescreening that has deemed other forms of transportation inappropriate and
242.32 who requires a provider: (i) with a protected vehicle that is not an ambulance or police car
242.33 and has safety locks, a video recorder, and a transparent thermoplastic partition between
242.34 the passenger and the vehicle driver; and (ii) who is certified as a protected transport
242.35 provider; and

243.1 (7) stretcher transport, which includes transport for a client in a prone or supine
243.2 position and requires a nonemergency medical transportation provider with a vehicle that
243.3 can transport a client in a prone or supine position.

243.4 ~~(j)~~ (j) The local agency shall be the single administrative agency and shall administer
243.5 and reimburse for modes defined in paragraph ~~(h)~~ (i) according to paragraphs ~~(l)~~ (m) and
243.6 ~~(m)~~ (n) when the commissioner has developed, made available, and funded the Web-based
243.7 single administrative structure, assessment tool, and level of need assessment under
243.8 subdivision 18e. The local agency's financial obligation is limited to funds provided by
243.9 the state or federal government.

243.10 ~~(j)~~ (k) The commissioner shall:

243.11 (1) in consultation with the Nonemergency Medical Transportation Advisory
243.12 Committee, verify that the mode and use of nonemergency medical transportation is
243.13 appropriate;

243.14 (2) verify that the client is going to an approved medical appointment; and

243.15 (3) investigate all complaints and appeals.

243.16 ~~(k)~~ (l) The administrative agency shall pay for the services provided in this
243.17 subdivision and seek reimbursement from the commissioner, if appropriate. As vendors
243.18 of medical care, local agencies are subject to the provisions in section 256B.041, the
243.19 sanctions and monetary recovery actions in section 256B.064, and Minnesota Rules,
243.20 parts 9505.2160 to 9505.2245.

243.21 ~~(l)~~ (m) Payments for nonemergency medical transportation must be paid based
243.22 on the client's assessed mode under paragraph ~~(g)~~ (h), not the type of vehicle used to
243.23 provide the service. The medical assistance reimbursement rates for nonemergency
243.24 medical transportation services that are payable by or on behalf of the commissioner for
243.25 nonemergency medical transportation services are:

243.26 (1) \$0.22 per mile for client reimbursement;

243.27 (2) up to 100 percent of the Internal Revenue Service business deduction rate for
243.28 volunteer transport;

243.29 (3) equivalent to the standard fare for unassisted transport when provided by public
243.30 transit, and \$11 for the base rate and \$1.30 per mile when provided by a nonemergency
243.31 medical transportation provider;

243.32 (4) \$13 for the base rate and \$1.30 per mile for assisted transport;

243.33 (5) \$18 for the base rate and \$1.55 per mile for lift-equipped/ramp transport;

243.34 (6) \$75 for the base rate and \$2.40 per mile for protected transport; and

243.35 (7) \$60 for the base rate and \$2.40 per mile for stretcher transport, and \$9 per trip
243.36 for an additional attendant if deemed medically necessary.

244.1 ~~(m)~~ (n) The base rate for nonemergency medical transportation services in areas
244.2 defined under RUCA to be super rural is equal to 111.3 percent of the respective base rate
244.3 in paragraph ~~(h)~~ (m), clauses (1) to (7). The mileage rate for nonemergency medical
244.4 transportation services in areas defined under RUCA to be rural or super rural areas is:

244.5 (1) for a trip equal to 17 miles or less, equal to 125 percent of the respective mileage
244.6 rate in paragraph ~~(h)~~ (m), clauses (1) to (7); and

244.7 (2) for a trip between 18 and 50 miles, equal to 112.5 percent of the respective
244.8 mileage rate in paragraph ~~(h)~~ (m), clauses (1) to (7).

244.9 ~~(n)~~ (o) For purposes of reimbursement rates for nonemergency medical
244.10 transportation services under paragraphs ~~(h)~~ (m) and ~~(m)~~ (n), the zip code of the recipient's
244.11 place of residence shall determine whether the urban, rural, or super rural reimbursement
244.12 rate applies.

244.13 ~~(o)~~ (p) For purposes of this subdivision, "rural urban commuting area" or "RUCA"
244.14 means a census-tract based classification system under which a geographical area is
244.15 determined to be urban, rural, or super rural.

244.16 Sec. 29. Minnesota Statutes 2014, section 256B.15, subdivision 1a, is amended to read:

244.17 Subd. 1a. **Estates subject to claims.** (a) If a person receives any medical assistance
244.18 hereunder, on the person's death, if single, or on the death of the survivor of a married
244.19 couple, either or both of whom received medical assistance, or as otherwise provided
244.20 for in this section, the total amount paid for medical assistance rendered for the person
244.21 and spouse shall be filed as a claim against the estate of the person or the estate of the
244.22 surviving spouse in the court having jurisdiction to probate the estate or to issue a decree
244.23 of descent according to sections 525.31 to 525.313.

244.24 (b) For the purposes of this section, the person's estate must consist of:

244.25 (1) the person's probate estate;

244.26 (2) all of the person's interests or proceeds of those interests in real property the
244.27 person owned as a life tenant or as a joint tenant with a right of survivorship at the time of
244.28 the person's death;

244.29 (3) all of the person's interests or proceeds of those interests in securities the person
244.30 owned in beneficiary form as provided under sections 524.6-301 to 524.6-311 at the time
244.31 of the person's death, to the extent the interests or proceeds of those interests become part
244.32 of the probate estate under section 524.6-307;

244.33 (4) all of the person's interests in joint accounts, multiple-party accounts, and
244.34 pay-on-death accounts, brokerage accounts, investment accounts, or the proceeds of
244.35 those accounts, as provided under sections 524.6-201 to 524.6-214 at the time of the

245.1 person's death to the extent the interests become part of the probate estate under section
245.2 524.6-207; and

245.3 (5) assets conveyed to a survivor, heir, or assign of the person through survivorship,
245.4 living trust, transfer-on-death of title or deed, or other arrangements.

245.5 (c) For the purpose of this section and recovery in a surviving spouse's estate for
245.6 medical assistance paid for a predeceased spouse, the estate must consist of all of the legal
245.7 title and interests the deceased individual's predeceased spouse had in jointly owned or
245.8 marital property at the time of the spouse's death, as defined in subdivision 2b, and the
245.9 proceeds of those interests, that passed to the deceased individual or another individual, a
245.10 survivor, an heir, or an assign of the predeceased spouse through a joint tenancy, tenancy
245.11 in common, survivorship, life estate, living trust, or other arrangement. A deceased
245.12 recipient who, at death, owned the property jointly with the surviving spouse shall have
245.13 an interest in the entire property.

245.14 (d) For the purpose of recovery in a single person's estate or the estate of a survivor
245.15 of a married couple, "other arrangement" includes any other means by which title to all or
245.16 any part of the jointly owned or marital property or interest passed from the predeceased
245.17 spouse to another including, but not limited to, transfers between spouses which are
245.18 permitted, prohibited, or penalized for purposes of medical assistance.

245.19 (e) A claim shall be filed if medical assistance was rendered for either or both
245.20 persons under one of the following circumstances:

245.21 (1) the person was over 55 years of age, and received services under this chapter;

245.22 (2) the person resided in a medical institution for six months or longer, received
245.23 services under this chapter, and, at the time of institutionalization or application for
245.24 medical assistance, whichever is later, the person could not have reasonably been expected
245.25 to be discharged and returned home, as certified in writing by the person's treating
245.26 physician. For purposes of this section only, a "medical institution" means a skilled
245.27 nursing facility, intermediate care facility, intermediate care facility for persons with
245.28 developmental disabilities, nursing facility, or inpatient hospital; or

245.29 (3) the person received general assistance medical care services under chapter 256D.

245.30 (f) The claim shall be considered an expense of the last illness of the decedent for
245.31 the purpose of section 524.3-805. Notwithstanding any law or rule to the contrary, a
245.32 state or county agency with a claim under this section must be a creditor under section
245.33 524.6-307. Any statute of limitations that purports to limit any county agency or the state
245.34 agency, or both, to recover for medical assistance granted hereunder shall not apply to any
245.35 claim made hereunder for reimbursement for any medical assistance granted hereunder.
245.36 Notice of the claim shall be given to all heirs and devisees of the decedent, and to other

246.1 persons with an ownership interest in the real property owned by the decedent at the time
246.2 of the decedent's death, whose identity can be ascertained with reasonable diligence. The
246.3 notice must include procedures and instructions for making an application for a hardship
246.4 waiver under subdivision 5; time frames for submitting an application and determination;
246.5 and information regarding appeal rights and procedures. Counties are entitled to one-half
246.6 of the nonfederal share of medical assistance collections from estates that are directly
246.7 attributable to county effort. Counties are entitled to ten percent of the collections for
246.8 alternative care directly attributable to county effort.

246.9 Sec. 30. Minnesota Statutes 2014, section 297B.01, subdivision 16, is amended to read:

246.10 Subd. 16. **Sale, sells, selling, purchase, purchased, or acquired.** (a) "Sale,"
246.11 "sells," "selling," "purchase," "purchased," or "acquired" means any transfer of title of any
246.12 motor vehicle, whether absolutely or conditionally, for a consideration in money or by
246.13 exchange or barter for any purpose other than resale in the regular course of business.

246.14 (b) Any motor vehicle utilized by the owner only by leasing such vehicle to others
246.15 or by holding it in an effort to so lease it, and which is put to no other use by the owner
246.16 other than resale after such lease or effort to lease, shall be considered property purchased
246.17 for resale.

246.18 (c) The terms also shall include any transfer of title or ownership of a motor vehicle
246.19 by other means, for or without consideration, except that these terms shall not include:

246.20 (1) the acquisition of a motor vehicle by inheritance from or by bequest of, or
246.21 transfer-on-death of title by, a decedent who owned it;

246.22 (2) the transfer of a motor vehicle which was previously licensed in the names of
246.23 two or more joint tenants and subsequently transferred without monetary consideration to
246.24 one or more of the joint tenants;

246.25 (3) the transfer of a motor vehicle by way of gift from a limited used vehicle dealer
246.26 licensed under section 168.27, subdivision 4a, to an individual, when the transfer is with
246.27 no monetary or other consideration or expectation of consideration and the parties to the
246.28 transfer submit an affidavit to that effect at the time the title transfer is recorded;

246.29 (4) the transfer of a motor vehicle by gift between:

246.30 (i) spouses;

246.31 (ii) parents and a child; or

246.32 (iii) grandparents and a grandchild;

246.33 (5) the voluntary or involuntary transfer of a motor vehicle between a husband and
246.34 wife in a divorce proceeding; or

247.1 (6) the transfer of a motor vehicle by way of a gift to an organization that is exempt
 247.2 from federal income taxation under section 501(c)(3) of the Internal Revenue Code when
 247.3 the motor vehicle will be used exclusively for religious, charitable, or educational purposes.

247.4 Sec. 31. Minnesota Statutes 2014, section 299A.41, subdivision 3, is amended to read:

247.5 Subd. 3. **Killed in the line of duty.** "Killed in the line of duty" does not include
 247.6 deaths from natural causes, except as provided in this subdivision. In the case of a ~~peace~~
 247.7 public safety officer, "killed in the line of duty" includes the death of ~~an~~ a public safety
 247.8 officer caused by accidental means while the ~~peace~~ public safety officer is acting in the
 247.9 course and scope of duties as a ~~peace~~ public safety officer. Killed in the line of duty also
 247.10 means if a public safety officer dies as the direct and proximate result of a heart attack,
 247.11 stroke, or vascular rupture, that officer shall be presumed to have died as the direct and
 247.12 proximate result of a personal injury sustained in the line of duty if:

247.13 (1) that officer, while on duty:

247.14 (i) engaged in a situation, and that engagement involved nonroutine stressful or
 247.15 strenuous physical law enforcement, fire suppression, rescue, hazardous material response,
 247.16 emergency medical services, prison security, disaster relief, or other emergency response
 247.17 activity; or

247.18 (ii) participated in a training exercise, and that participation involved nonroutine
 247.19 stressful or strenuous physical activity;

247.20 (2) that officer died as a result of a heart attack, stroke, or vascular rupture suffered:

247.21 (i) while engaging or participating under clause (1);

247.22 (ii) while still on duty after engaging or participating under clause (1); or

247.23 (iii) not later than 24 hours after engaging or participating under clause (1); and

247.24 (3) the presumption is not overcome by competent medical evidence to the contrary.

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

247.26 Sec. 32. Minnesota Statutes 2014, section 299A.41, subdivision 4, is amended to read:

247.27 Subd. 4. **Public safety officer.** "Public safety officer" includes:

247.28 (1) a peace officer defined in section 626.84, subdivision 1, paragraph (c) or (d);

247.29 (2) a correction officer employed at a correctional facility and charged with
 247.30 maintaining the safety, security, discipline, and custody of inmates at the facility;

247.31 (3) an individual employed on a full-time basis by the state or by a fire department of
 247.32 a governmental subdivision of the state, who is engaged in any of the following duties:

247.33 (i) firefighting;

247.34 (ii) emergency motor vehicle operation;

- 248.1 (iii) investigation into the cause and origin of fires;
- 248.2 (iv) the provision of emergency medical services; or
- 248.3 (v) hazardous material responder;
- 248.4 (4) a legally enrolled member of a volunteer fire department or member of an
- 248.5 independent nonprofit firefighting corporation who is engaged in the hazards of firefighting;
- 248.6 (5) a good samaritan while complying with the request or direction of a public
- 248.7 safety officer to assist the officer;
- 248.8 (6) a reserve police officer or a reserve deputy sheriff while acting under the
- 248.9 supervision and authority of a political subdivision;
- 248.10 (7) a driver or attendant with a licensed basic or advanced life-support transportation
- 248.11 service who is engaged in providing emergency care;
- 248.12 (8) a first responder who is certified by the emergency medical services regulatory
- 248.13 board to perform basic emergency skills before the arrival of a licensed ambulance service
- 248.14 and who is a member of an organized service recognized by a local political subdivision
- 248.15 to respond to medical emergencies to provide initial medical care before the arrival of
- 248.16 an ambulance; and
- 248.17 (9) a person, other than a state trooper, employed by the commissioner of public
- 248.18 safety and assigned to the State Patrol, whose primary employment duty is either Capitol
- 248.19 security or the enforcement of commercial motor vehicle laws and regulations.

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

248.21 Sec. 33. Minnesota Statutes 2014, section 299A.55, is amended to read:

248.22 **299A.55 RAILROAD AND PIPELINE SAFETY INCIDENT**

248.23 **PREPAREDNESS; OIL AND OTHER HAZARDOUS MATERIALS SUBSTANCES.**

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

248.25 have the meanings given them.

248.26 (b) "Applicable rail carrier" means a railroad company that is subject to an

248.27 assessment under section 219.015, subdivision 2.

248.28 (c) "Hazardous substance" has the meaning given in ~~section 115B.02, subdivision 8~~

248.29 Code of Federal Regulations, title 49, section 171.8.

248.30 (d) "Oil" has the meaning given in section 115E.01, subdivision 8.

248.31 (e) "Pipeline company" means any individual, partnership, association, or public

248.32 or private corporation who owns and operates pipeline facilities and is required to show

248.33 specific preparedness under section 115E.03, subdivision 2.

249.1 Subd. 2. **Railroad and pipeline safety incident account.** (a) A railroad and
249.2 pipeline safety incident account is created in the special revenue fund. The account
249.3 consists of funds collected under subdivision 4 and funds donated, allotted, transferred, or
249.4 otherwise provided to the account.

249.5 (b) ~~\$104,000 is annually~~ \$345,000 in fiscal year 2017, and \$250,000 annually
249.6 beginning in fiscal year 2018 are appropriated from the railroad and pipeline safety
249.7 incident account to the commissioner of the Pollution Control Agency for environmental
249.8 protection activities related to railroad discharge preparedness under chapter 115E.

249.9 (c) Following the appropriation in paragraph (b), the remaining money in the
249.10 account is annually appropriated to the commissioner of public safety for the purposes
249.11 specified in subdivision 3.

249.12 Subd. 3. **Allocation of funds.** (a) Subject to funding appropriated for this
249.13 subdivision, the commissioner shall provide funds for training and response preparedness
249.14 related to (1) derailments, discharge incidents, or spills involving trains carrying oil or
249.15 other hazardous substances, and (2) pipeline discharge incidents or spills involving oil
249.16 or other hazardous substances.

249.17 (b) The commissioner shall allocate available funds as follows:

249.18 (1) \$100,000 annually for emergency response teams; and

249.19 (2) the remaining amount to the Board of Firefighter Training and Education under
249.20 section 299N.02 and the Division of Homeland Security and Emergency Management.

249.21 (c) Prior to making allocations under paragraph (b), the commissioner shall consult
249.22 with the Fire Service Advisory Committee under section 299F.012, subdivision 2.

249.23 (d) The commissioner and the entities identified in paragraph (b), clause (2), shall
249.24 prioritize uses of funds based on:

249.25 (1) firefighter training needs;

249.26 (2) community risk from discharge incidents or spills;

249.27 (3) geographic balance; ~~and~~

249.28 (4) risks to the general public; and

249.29 (5) recommendations of the Fire Service Advisory Committee.

249.30 (e) The following are permissible uses of funds provided under this subdivision:

249.31 (1) training costs, which may include, but are not limited to, training curriculum,
249.32 trainers, trainee overtime salary, other personnel overtime salary, and tuition;

249.33 (2) costs of gear and equipment related to hazardous materials readiness, response,
249.34 and management, which may include, but are not limited to, original purchase,
249.35 maintenance, and replacement;

249.36 (3) supplies related to the uses under clauses (1) and (2); ~~and~~

250.1 (4) emergency preparedness planning and coordination; ;
250.2 (5) life-safety emergency response exercises, including coordinated or comprehensive
250.3 exercises in conjunction with the requirements under section 115E.042, subdivision 5; and
250.4 (6) public education and outreach, including but not limited to: (i) informing and
250.5 engaging the public regarding hazards of derailments and discharge incidents; (ii) assisting
250.6 in development of evacuation readiness; (iii) undertaking public information campaigns;
250.7 and (iv) providing accurate information to the media on likelihood and consequences of
250.8 derailments and discharge incidents.

250.9 (f) Notwithstanding paragraph (b), clause (2), from funds in the railroad and pipeline
250.10 safety incident account provided for the purposes under this subdivision, the commissioner
250.11 may retain a balance in the account for budgeting in subsequent fiscal years.

250.12 Subd. 4. **Assessments.** (a) The commissioner of public safety shall annually assess
250.13 \$2,500,000 to railroad and pipeline companies based on the formula specified in paragraph
250.14 (b). The commissioner shall deposit funds collected under this subdivision in the railroad
250.15 and pipeline safety incident account under subdivision 2.

250.16 (b) The assessment for each railroad is 50 percent of the total annual assessment
250.17 amount, divided in equal proportion between applicable rail carriers based on route miles
250.18 operated in Minnesota. The assessment for each pipeline company is 50 percent of the
250.19 total annual assessment amount, divided in equal proportion between companies based
250.20 on the yearly aggregate gallons of oil and hazardous substance transported by pipeline
250.21 in Minnesota.

250.22 (c) The assessments under this subdivision expire July 1, 2017.

250.23 Sec. 34. Minnesota Statutes 2014, section 299D.03, subdivision 5, is amended to read:

250.24 Subd. 5. **Traffic fines and forfeited bail money.** (a) All fines and forfeited bail
250.25 money collected from persons apprehended or arrested by officers of the State Patrol
250.26 shall be transmitted by the person or officer collecting the fines, forfeited bail money,
250.27 or installments thereof, on or before the tenth day after the last day of the month in
250.28 which these moneys were collected, to the commissioner of management and budget.
250.29 Except where a different disposition is required in this subdivision or section 387.213, or
250.30 otherwise provided by law, three-eighths of these receipts must be deposited in the state
250.31 treasury and credited to the state general fund. The other five-eighths of these receipts
250.32 must be deposited in the state treasury and credited as follows: (1) the first \$1,000,000
250.33 \$2,500,000 in each fiscal year must be credited to the Minnesota grade crossing safety
250.34 account in the special revenue fund, and (2) remaining receipts must be credited to the state
250.35 trunk highway fund. If, however, the violation occurs within a municipality and the city

251.1 attorney prosecutes the offense, and a plea of not guilty is entered, one-third of the receipts
251.2 shall be deposited in the state treasury and credited to the state general fund, one-third of
251.3 the receipts shall be paid to the municipality prosecuting the offense, and one-third shall be
251.4 deposited in the state treasury and credited to the Minnesota grade crossing safety account
251.5 or the state trunk highway fund as provided in this paragraph. When section 387.213 also
251.6 is applicable to the fine, section 387.213 shall be applied before this paragraph is applied.
251.7 All costs of participation in a nationwide police communication system chargeable to the
251.8 state of Minnesota shall be paid from appropriations for that purpose.

251.9 (b) All fines and forfeited bail money from violations of statutes governing the
251.10 maximum weight of motor vehicles, collected from persons apprehended or arrested by
251.11 employees of the state of Minnesota, by means of stationary or portable scales operated
251.12 by these employees, shall be transmitted by the person or officer collecting the fines or
251.13 forfeited bail money, on or before the tenth day after the last day of the month in which the
251.14 collections were made, to the commissioner of management and budget. Five-eighths of
251.15 these receipts shall be deposited in the state treasury and credited to the state highway
251.16 user tax distribution fund. Three-eighths of these receipts shall be deposited in the state
251.17 treasury and credited to the state general fund.

251.18 Sec. 35. Minnesota Statutes 2014, section 353.01, subdivision 43, is amended to read:

251.19 Subd. 43. **Line of duty death.** "Line of duty death" means:

251.20 (1) a death that occurs while performing or as a direct result of performing normal or
251.21 less frequent duties which are specific to protecting the property and personal safety of
251.22 others and that present inherent dangers that are specific to the positions covered by the
251.23 public employees police and fire plan; or

251.24 (2) a death determined by the commissioner of public safety that meets the
251.25 requirements of sections 299A.41 to 299A.46.

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

251.27 Sec. 36. Minnesota Statutes 2014, section 360.013, is amended by adding a subdivision
251.28 to read:

251.29 Subd. 47a. **Drones.** "Drone" means a powered aircraft that is operated without the
251.30 possibility of direct human intervention from within or on the aircraft.

251.31 **EFFECTIVE DATE.** This section is effective January 1, 2017.

251.32 Sec. 37. Minnesota Statutes 2014, section 360.075, subdivision 1, is amended to read:

252.1 Subdivision 1. **Misdemeanor.** Every person who:

252.2 (1) operates an aircraft either on or over land or water in this state without the
252.3 consent of the owner of such aircraft;

252.4 (2) operates aircraft while in the possession of any federal license, certificate, or
252.5 permit or any certificate of registration issued by the ~~Transportation~~ department of this
252.6 state, or displays, or causes or permits to be displayed, such federal license, certificate,
252.7 or permit or such state certificate of registration, knowing either to have been canceled,
252.8 revoked, suspended, or altered;

252.9 (3) lends to, or knowingly permits the use of by, one not entitled thereto of any
252.10 federal airman's or aircraft license, certificate, or permit, or any state airman's or aircraft
252.11 certificate of registration issued to that person;

252.12 (4) displays or represents as the person's own any federal airman's or aircraft license,
252.13 certificate, or permit or any state airman's or aircraft certificate of registration not issued
252.14 to that person;

252.15 (5) tampers with, climbs upon or into, makes use of, or navigates any aircraft without
252.16 the knowledge or consent of the owner or person having control thereof, whether while the
252.17 same is in motion or at rest, or hurls stones or any other missiles at aircraft, or the occupants
252.18 thereof, or otherwise damages or interferes with the same, or places upon any portion of any
252.19 airport any object, obstruction, or other device tending to injure aircraft or parts thereof;

252.20 (6) uses a false or fictitious name, gives a false or fictitious address, knowingly
252.21 makes any false statement or report, or knowingly conceals a material fact, or otherwise
252.22 commits a fraud in any application or form required under the provisions of sections
252.23 360.011 to 360.076, or by any rules or orders of the commissioner;

252.24 (7) operates any aircraft ~~in such a manner~~ so as to indicate either a reckless willful or
252.25 ~~a wanton~~ disregard for the safety of persons or property;

252.26 (8) carries on or over land or water in this state in an aircraft other than a public
252.27 aircraft any explosive substance except as permitted by ~~the Federal Explosives Act, being~~
252.28 ~~the Act of October 6, 1917, as amended by Public Law 775, 77th Congress, approved~~
252.29 ~~November 24, 1942~~ United States Code, title 18, chapter 40; Code of Federal Regulations,
252.30 title 27, part 555; and successor laws and regulations;

252.31 (9) discharges a gun, pistol, or other weapon in or from any aircraft in this state
252.32 except as the hunting of certain wild animals from aircraft may be permitted by other laws
252.33 of this state, or unless the person is the pilot or officer in command of the aircraft or a
252.34 peace officer or a member of the military or naval forces of the United States, engaged in
252.35 the performance of duty;

253.1 (10) carries in any aircraft, other than a public aircraft, any shotgun, rifle, pistol, or
253.2 small arms ammunition except in the manner in which such articles may be lawfully carried
253.3 in motor vehicles in this state, or is a person excepted from the provisions of clause (9);

253.4 (11) engages in acrobatic or stunt flying without being equipped with a parachute
253.5 and without providing any other occupants of the aircraft with parachutes and requiring
253.6 that they be worn;

253.7 (12) while in flying over a thickly inhabited area or over a public gathering in this
253.8 state, engages in trick or acrobatic flying or in any acrobatic feat;

253.9 (13) except while in landing or taking off, flies at such low levels as to endanger
253.10 persons on the surface beneath, or engages in advertising through the playing of music
253.11 or transcribed or oral announcements, or makes any noise with any siren, horn, whistle,
253.12 or other audible device which is not necessary for the normal operation of the aircraft,
253.13 except that sound amplifying devices may be used in aircraft when operated by or under
253.14 the authority of any agency of the state or federal government for the purpose of giving
253.15 warning or instructions to persons on the ground;

253.16 (14) drops any object, except loose water, loose fuel, or loose sand ballast, without
253.17 the prior written consent of the commissioner of transportation and the prior written
253.18 consent of the municipality or property owner where objects may land; drops objects
253.19 from an aircraft that endanger person or property on the ground, or drops leaflets for any
253.20 purpose whatsoever; or

253.21 (15) while in flight in an aircraft, whether as a pilot, passenger, or otherwise,
253.22 endangers, kills, or attempts to kill any birds or animals or uses any aircraft for the purpose
253.23 of concentrating, driving, rallying, or stirring up migratory waterfowl;

253.24 (16) uses a drone with intent to damage, disrupt, or otherwise interfere with an
253.25 aircraft that is in motion on the ground or in the air; or

253.26 (17) knowingly operates a drone within an emergency zone established by a law
253.27 enforcement agency, fire department, or emergency medical service provider, or within
253.28 one mile of a helicopter being operated by one of these entities;

253.29 except as may be permitted by other laws of this state, shall be guilty of a misdemeanor.

253.30 Notwithstanding section 609.035 or 609.04, a prosecution for or conviction of violating
253.31 clause (16) is not a bar to conviction of or punishment for any other crime.

253.32 **EFFECTIVE DATE.** This section is effective January 1, 2017, and applies to
253.33 crimes committed on and after that date.

253.34 Sec. 38. Minnesota Statutes 2014, section 360.075, subdivision 2, is amended to read:

254.1 Subd. 2. **Gross misdemeanor.** ~~Every A person who shall commit any of the acts~~
254.2 ~~specified in~~ commits a violation of subdivision 1 for a second or other subsequent time
254.3 ~~shall be~~ after having previously been convicted of violating subdivision 1 is guilty of a
254.4 gross misdemeanor.

254.5 **EFFECTIVE DATE.** This section is effective January 1, 2017, and applies to
254.6 crimes committed on and after that date.

254.7 Sec. 39. Minnesota Statutes 2014, section 360.55, is amended by adding a subdivision
254.8 to read:

254.9 Subd. 9. **Drones.** A drone that weighs up to a maximum of 55 pounds may be
254.10 subject to fees under section 360.679, and is exempt from taxes and fees under sections
254.11 360.511 to 360.67.

254.12 **EFFECTIVE DATE.** This section is effective January 1, 2017.

254.13 Sec. 40. **[360.679] DRONE; COMMERCIAL USE PERMIT.**

254.14 Subdivision 1. **Requirements for commercial use permit.** The commissioner
254.15 shall issue a commercial use permit to an owner of a drone weighing up to a maximum
254.16 of 55 pounds, when the owner:

254.17 (1) utilizes the drone for any purpose other than hobby or recreational use;

254.18 (2) provides proof of payment of sales tax on the purchase of the drone;

254.19 (3) identifies each individual who will operate the drone and certifies to the

254.20 commissioner that each operator meets the qualifications under subdivision 3;

254.21 (4) provides proof of insurance that complies with the requirements of and limits in
254.22 section 360.59, subdivision 10;

254.23 (5) pays an annual permit fee of \$25; and

254.24 (6) provides additional information the commissioner deems to be necessary or
254.25 desirable.

254.26 Subd. 2. **Deposit of fee.** The proceeds of the fee required under subdivision 1
254.27 must be collected by the commissioner, paid into the state treasury, and credited to the
254.28 state airports fund.

254.29 Subd. 3. **Qualifications for drone operators.** The commissioner shall develop and
254.30 administer a written knowledge test for drone operators that complies with all applicable
254.31 state and federal regulations. To be eligible to take the knowledge test, a person must:

254.32 (1) be at least 17 years of age;

255.1 (2) possess a valid driver's license issued by this state, another state or territory of
255.2 the United States, or the District of Columbia; and

255.3 (3) satisfy all other applicable state or federal requirements.

255.4 A drone operator must pass the test and meet all qualifications under this subdivision in
255.5 this state or in a state with comparable requirements.

255.6 Subd. 4. **Commercial use permit process.** The commissioner shall implement a
255.7 permit application process, including a requirement that the department provide notice to an
255.8 applicant of the department's permit issuance decision no later than ten days from the date
255.9 the department receives the application. The commissioner shall offer technical guidance
255.10 for permit applicants and permit holders to enable compliance with program requirements.

255.11 Subd. 5. **Unlawful operations.** A person who owns or operates a drone in violation
255.12 of this section is guilty of a misdemeanor.

255.13 **EFFECTIVE DATE.** This section is effective January 1, 2017, and applies to
255.14 crimes committed on and after that date.

255.15 Sec. 41. Laws 1994, chapter 643, section 15, subdivision 8, is amended to read:

255.16 Subd. 8. Trunk Highway Facility Projects 13,016,000

255.17 To the commissioner of transportation for the
255.18 purposes specified in this subdivision. The
255.19 appropriations in this subdivision are from
255.20 the trunk highway fund.

255.21 (a) Installation of automatic fire sprinkler systems at maintenance headquarters in
255.22 Virginia, Owatonna, and Windom 365,000

255.23 (b) Repair, replace, or construct chemical and salt storage buildings at 36 department
255.24 of transportation locations statewide 1,030,000

255.25 (c) Construct, furnish, and equip a truck enforcement site and weigh scale in the
255.26 Albert Lea area to replace the Lakeville site 886,000

255.27 (d) Construct, furnish, and equip a truck station and maintenance facility in
255.28 Hutchinson on a new site to replace the current facility 897,000

255.29 (e) Construct, furnish, and equip a new truck station on Maryland Avenue in St. Paul
255.30 to replace the current facility 5,440,000

255.31 (f) Construct an addition to the Detroit Lakes welding shop 355,000

255.32 (g) Remodel facilities and construct additions to truck stations in Ely, Montgomery,
255.33 and Forest Lake 302,000

- 256.1 (h) Purchase, remodel, and expand the Minnesota National Guard truck maintenance
256.2 facility in Tracy to fit the needs of a department of transportation truck station 359,000
- 256.3 (i) Build an unheated equipment storage building at the Golden Valley headquarters
256.4 site 435,000
- 256.5 (j) Construct, furnish, and equip a truck station in Wadena on a new site to replace
256.6 the current facility 527,000
- 256.7 (k) Remodel facility and construct an addition to the Preston truck station 174,000
- 256.8 (l) Construct, furnish, and equip class II safety rest areas in Darwin Winter park,
256.9 Preston/Fountain vicinity, Pioneer monument, Camp Release historic monument, and
256.10 Lake Shetek 200,000
- 256.11 (m) Land acquisition for new replacement truck station sites at Illgen City, Rushford,
256.12 Gaylord, Madelia, Sherburne, and Litchfield 250,000
- 256.13 (n) Design fees to complete construction drawings for projects at Windom,
256.14 Maplewood, Hastings, central services building, Arden Hills training center, and Albert
256.15 Lea weigh scale 371,000
- 256.16 (o) Construct pole type storage buildings at department of transportation locations
256.17 throughout the state 611,000
- 256.18 (p) Remove asbestos from various department of transportation buildings statewide
256.19 150,000
- 256.20 (q) Remodel facility and construct an addition to the Carlton truck station 259,000
- 256.21 (r) Remodel facility and construct an addition to the Sauk Centre truck station 255,000
- 256.22 (s) Remodel the old Burlington Northern train depot in Floodwood into a safety
256.23 information center and rest area and phase out the wayside rest at Trunk Highways 2
256.24 and 73 150,000
- 256.25 After completion of the project, the
256.26 commissioner of transportation shall
256.27 convey the newly remodeled rest area for
256.28 no or nominal consideration to the city of
256.29 Floodwood, ~~which thereafter shall operate~~
256.30 ~~and maintain it.~~
- 256.31 (t) The commissioner may use the balance
256.32 of funds appropriated by Laws 1985,
256.33 first special session chapter 15, section
256.34 9, subdivision 6, paragraph (c), for land
256.35 acquisition for a weigh station on interstate
256.36 highway 94 at Moorhead to supplement funds

257.1 appropriated by Laws of 1989, chapter 269,
257.2 section 2, subdivision 11, paragraph (d), for
257.3 construction of the Moorhead weigh station.

257.4 Sec. 42. Laws 2014, chapter 312, article 11, section 10, the effective date, is amended
257.5 to read:

257.6 **EFFECTIVE DATE.** This section is effective November 30, ~~2016~~ 2018, and
257.7 applies to permits issued on and after that date.

257.8 Sec. 43. Laws 2014, chapter 312, article 11, section 11, the effective date, is amended
257.9 to read:

257.10 **EFFECTIVE DATE.** This section is effective November 30, ~~2016~~ 2018, and
257.11 applies to permits issued on and after that date.

257.12 Sec. 44. Laws 2014, chapter 312, article 11, section 13, the effective date, is amended
257.13 to read:

257.14 **EFFECTIVE DATE.** This section is effective November 30, ~~2016~~ 2018, and
257.15 applies to permits issued on and after that date.

257.16 Sec. 45. Laws 2014, chapter 312, article 11, section 16, the effective date, is amended
257.17 to read:

257.18 **EFFECTIVE DATE.** This section is effective November 30, ~~2016~~ 2018, and
257.19 applies to permits issued on and after that date.

257.20 Sec. 46. Laws 2014, chapter 312, article 11, section 18, the effective date, is amended
257.21 to read:

257.22 **EFFECTIVE DATE.** This section is effective November 30, ~~2016~~ 2018, and
257.23 applies to permits issued on and after that date.

257.24 Sec. 47. **MINNESOTA LICENSE AND REGISTRATION SYSTEM**
257.25 **OPERATING COSTS; REPORT.**

257.26 Before January 1, 2019, the commissioners of public safety and MN.IT services
257.27 must submit a report documenting the costs of operating the new Minnesota License and
257.28 Registration System, including any recommendations for ongoing funding, to the chairs

258.1 and ranking members of the committees in the house of representatives and the senate
258.2 having jurisdiction over transportation and public safety policy and finance.

258.3 **Sec. 48. TRANSPORTATION PROJECT SELECTION PROCESS.**

258.4 **Subdivision 1. Adoption of best practices.** (a) The commissioner of transportation,
258.5 after consultation with the Federal Highway Administration, metropolitan planning
258.6 organizations, regional development commissions, area transportation partnerships,
258.7 local governments, the Metropolitan Council, and transportation stakeholders, shall
258.8 develop, adopt, and implement best practices for project evaluation and selection to apply
258.9 to the standard process and to special programs, such as corridors of commerce. The
258.10 commissioner must adopt and begin implementing the best practices no later than October
258.11 2017 and may update the best practices as appropriate. The commissioner shall publicize
258.12 the best practices and updates on the department's Web site and through other effective
258.13 means selected by the commissioner.

258.14 (b) The best practices adopted under this section must include:

258.15 (1) a description of each selection process and identification of ranking criteria and
258.16 weight of each criterion with respect to any selection process;

258.17 (2) identification and application of all relevant criteria contained in enacted
258.18 Minnesota or federal law, or added by the commissioner;

258.19 (3) identification to the stakeholders and general public of each candidate project
258.20 selected under each selection process, including identification of all the projects
258.21 considered that are not selected;

258.22 (4) involvement in the process of scoring and ranking candidate projects of area
258.23 transportation partnerships and other local authorities as appropriate for the projects under
258.24 consideration; and

258.25 (5) means of publicizing scoring, ranking, and decision outcomes concerning each
258.26 candidate project, including the projects that were considered and were not selected.

258.27 **Subd. 2. Report to legislature.** By March 1, 2017, the commissioner shall report
258.28 to the chairs and ranking minority members of the senate and house of representatives
258.29 committees having jurisdiction over transportation policy and finance concerning the
258.30 adopted best practices and how these best practices are anticipated to improve the
258.31 consistency, objectivity, and transparency of the selection process. The report must
258.32 include information on input from members of the public and the organizations identified
258.33 in subdivision 1.

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

259.1 Sec. 49. **ESTABLISHMENT OF AUTONOMOUS VEHICLES TASK FORCE.**

259.2 Subdivision 1. Purpose. The autonomous vehicles task force is established to
259.3 design a demonstration project, analyze policy and recommended legislation, and report
259.4 to the legislature concerning issues related to the use by people with disabilities of
259.5 autonomous vehicles on public roads and highways.

259.6 Subd. 2. Definition of autonomous vehicle. For the purposes of this section,
259.7 "autonomous vehicle" is a vehicle equipped with technology that has the capability to
259.8 drive a vehicle without the active control or monitoring of a human operator. Autonomous
259.9 vehicle excludes a motor vehicle enabled with active safety systems or driver assistance
259.10 systems, including, without limitation, a system to provide electronic blind spot assistance,
259.11 crash avoidance, emergency braking, parking assistance, adaptive cruise control, lane keep
259.12 assistance, lane departure warning, or traffic jam and queuing assistant, unless the system
259.13 alone or in combination with other systems enables the vehicle to drive without the active
259.14 control or monitoring by a human operator.

259.15 Subd. 3. Task force membership. (a) The autonomous vehicles task force consists
259.16 of 21 members, all of whom are voting members and who must be appointed by July
259.17 31, 2016, as follows:

259.18 (1) two senators, including one senator appointed by the senate majority leader and
259.19 one senator appointed by the senate minority leader;

259.20 (2) two members of the house of representatives, including one member appointed
259.21 by the speaker of the house of representatives and one member appointed by the minority
259.22 leader;

259.23 (3) the commissioner of public safety or a designee;

259.24 (4) the commissioner of transportation or a designee;

259.25 (5) the commissioner of commerce or a designee;

259.26 (6) one member appointed by the Minnesota State Council on Disability;

259.27 (7) one member with experience in greater Minnesota paratransit administration
259.28 appointed by the commissioner of transportation;

259.29 (8) one member with experience in metropolitan-area paratransit administration
259.30 appointed by the Metropolitan Council;

259.31 (9) three members who are not public officials, and at least one of whom represents
259.32 the disability community, appointed by the senate majority leader;

259.33 (10) three members who are not public officials, and at least one of whom represents
259.34 the disability community, appointed by the speaker of the house of representatives;

259.35 (11) three members who are not public officials, and at least one of whom represents
259.36 the disability community, appointed by the governor;

260.1 (12) one member with expertise in autonomous vehicle technology, appointed by
260.2 the commissioner of transportation; and

260.3 (13) one member representing the Alliance of Automobile Manufacturers, appointed
260.4 by the commissioner of commerce.

260.5 (b) The appointing authorities for the members appointed under clauses (9), (10),
260.6 and (11), shall to the extent practicable make their appointments to reflect geographic
260.7 balance across the state. The governor must select one of the appointees under paragraph
260.8 (a), clause (11), to serve as chair of the task force.

260.9 Subd. 4. **First meeting; chair.** The member who is appointed to serve as the chair
260.10 shall convene the first meeting of the task force by October 15, 2016. The task force may
260.11 elect from among its members a cochair and any other officers the task force determines
260.12 are necessary or convenient.

260.13 Subd. 5. **Duties.** The task force shall examine and report to the legislature
260.14 concerning ways in which autonomous vehicles can best be equipped and utilized to
260.15 provide mobility service for people with disabilities. To further this goal, the task force
260.16 shall design a demonstration project.

260.17 Subd. 6. **Authorization.** The task force may solicit gifts, grants, or donations
260.18 of any kind from any private or public source to carry out the purposes of this act. All
260.19 gifts, grants, or donations received by the task force must be deposited in an autonomous
260.20 vehicle project account established in the special revenue fund. Money in the account is
260.21 appropriated to the commissioner of transportation for the activities of the task force and
260.22 implementation of the demonstration project.

260.23 Subd. 7. **Compensation.** Public members of the task force shall receive no
260.24 compensation or per diem payments for participating on the task force.

260.25 Subd. 8. **Administrative support.** The commissioner of transportation must
260.26 provide meeting space, administrative support, and staff support for the task force. The
260.27 task force may hold meetings in any publicly accessible location in the state.

260.28 Subd. 9. **Open Meeting Law.** Meetings of the task force are subject to Minnesota
260.29 Statutes, chapter 13D.

260.30 Subd. 10. **Reports.** The task force shall report its findings and recommendations to
260.31 the chairs and ranking minority members of the committees in the house of representatives
260.32 and the senate with jurisdiction over transportation policy and finance. By January 31,
260.33 2017, the task force shall report its findings and recommendations for implementing
260.34 the technology demonstration project to the chairs and ranking minority members of
260.35 the committees in the house of representatives and the senate with jurisdiction over
260.36 transportation policy and finance. By December 31, 2018, the task force shall report

261.1 findings concerning recommended legislation, administrative rules, and policies to
261.2 utilize autonomous vehicles in the provision of equitable, safe, and cost-effective
261.3 transportation solutions to people with disabilities both in the metropolitan area and
261.4 greater Minnesota. The report must analyze benefits, costs, business models, liability
261.5 issues, legal implications, and safety issues.

261.6 Subd. 11. **Sunset.** This section expires June 30, 2019.

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

261.8 Sec. 50. **TRANSITWAY DEVELOPMENT OUTREACH PILOT GRANT**
261.9 **PROGRAM.**

261.10 Subdivision 1. **Grant program.** The Metropolitan Council shall fund a grant to
261.11 the city of St. Paul to conduct a transitway development outreach pilot program, under
261.12 which the city shall award grants to entities selected through a competitive process
261.13 to conduct outreach, education, and engagement activities. These activities must be
261.14 directed to minority communities, relating to the status and future development of
261.15 transitways, including, but not limited to, Rush Line corridor, Red Rock corridor, and
261.16 Gateway Corridor Gold Line. The program must focus on minorities and new American
261.17 communities, especially Karen, Somali, Hispanic, and Hmong, whose members live,
261.18 work, or own businesses in the areas to be served by transitway development. A portion
261.19 of the grant proceeds must be used for ethnic radio programs and dissemination of
261.20 information by credible liaisons in the oral-culture communities.

261.21 Subd. 2. **Report.** By September 1, 2017, the Metropolitan Council shall report to the
261.22 chairs and ranking minority members of the senate and house of representatives committees
261.23 and divisions with jurisdiction over transportation policy and budget concerning the use of
261.24 this appropriation, the nature of activities funded, and results achieved.

261.25 Sec. 51. **REVISOR'S INSTRUCTION.**

261.26 The revisor of statutes shall recodify Minnesota Statutes, section 115E.042,
261.27 subdivision 2, as Minnesota Statutes, section 219.925, subdivision 9, and Minnesota
261.28 Statutes, section 115E.042, subdivision 3, as Minnesota Statutes, section 219.925,
261.29 subdivision 10. The revisor shall correct any cross-references made necessary by this
261.30 recodification.

262.1 **ARTICLE 12**262.2 **GENERAL EDUCATION**

262.3 Section 1. Minnesota Statutes 2015 Supplement, section 120A.41, is amended to read:

262.4 **120A.41 LENGTH OF SCHOOL YEAR; HOURS OF INSTRUCTION.**

262.5 A school board's annual school calendar must include at least 425 hours of
262.6 instruction for a kindergarten student without a disability, 935 hours of instruction for a
262.7 student in grades 1 through 6, and 1,020 hours of instruction for a student in grades 7
262.8 through 12, not including summer school. The school calendar for all-day kindergarten
262.9 must include at least 850 hours of instruction for the school year. The school calendar for
262.10 a prekindergarten student under section 124D.151, if offered by the district, must include
262.11 at least 350 hours of instruction for the school year. A school board's annual calendar
262.12 must include at least 165 days of instruction for a student in grades 1 through 11 unless a
262.13 four-day week schedule has been approved by the commissioner under section 124D.126.

262.14 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and
262.15 later.

262.16 Sec. 2. Minnesota Statutes 2014, section 124D.1158, subdivision 3, is amended to read:

262.17 Subd. 3. **Program reimbursement.** Each school year, the state must reimburse
262.18 each participating school 30 cents for each reduced-price breakfast, 55 cents for each fully
262.19 paid breakfast served to students in grades 1 to 12, and \$1.30 for each fully paid breakfast
262.20 served to a prekindergarten student enrolled in an approved voluntary prekindergarten
262.21 program under section 124D.151 or a kindergarten student.

262.22 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
262.23 later.

262.24 Sec. 3. Minnesota Statutes 2014, section 124D.1158, subdivision 4, is amended to read:

262.25 Subd. 4. **No fees.** A school that receives school breakfast aid under this section
262.26 must make breakfast available without charge to all participating students in grades 1
262.27 to 12 who qualify for free or reduced-price meals and to all prekindergarten students
262.28 enrolled in an approved voluntary prekindergarten program under section 124D.151 and
262.29 all kindergarten students.

262.30 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and
262.31 later.

263.1 Sec. 4. [124D.151] VOLUNTARY PREKINDERGARTEN PROGRAM.

263.2 Subdivision 1. Establishment; purpose. A district, a charter school, a group of
263.3 districts, a group of charter schools, or a group of districts and charter schools may
263.4 establish a voluntary prekindergarten program. The purpose of a voluntary prekindergarten
263.5 program is to prepare children for success as they enter kindergarten in the following year.

263.6 Subd. 2. Program requirements. (a) A voluntary prekindergarten program
263.7 provider must:

263.8 (1) measure each child's cognitive and social skills using a formative measure
263.9 aligned to the state's early learning standards when the child enters and again before the
263.10 child leaves the program, screening and progress monitoring measures, and others from
263.11 the state-approved menu of kindergarten entry profile measures;

263.12 (2) provide comprehensive program content including the implementation of
263.13 curriculum, assessment, and instructional strategies aligned with the state early learning
263.14 standards, and kindergarten through third grade academic standards;

263.15 (3) provide instructional content and activities that are of sufficient length and
263.16 intensity to address learning needs including offering a program with at least 350 hours of
263.17 instruction per school year for a prekindergarten student;

263.18 (4) provide voluntary prekindergarten instructional staff salaries comparable to the
263.19 salaries of local kindergarten through grade 12 instructional staff;

263.20 (5) coordinate appropriate kindergarten transition with families, community-based
263.21 prekindergarten programs, and school district kindergarten programs;

263.22 (6) involve parents in program planning and transition planning by implementing
263.23 parent engagement strategies that include culturally and linguistically responsive activities
263.24 in prekindergarten through third grade that are aligned with early childhood family
263.25 education under section 124D.13;

263.26 (7) coordinate with relevant community-based services, including health and social
263.27 service agencies, to ensure children have access to comprehensive services;

263.28 (8) coordinate with all relevant school district programs and services including early
263.29 childhood special education, homeless students, and English learners;

263.30 (9) ensure staff-to-child ratios of one-to-ten and a maximum group size of 20 children;

263.31 (10) provide high-quality coordinated professional development, training, and
263.32 coaching for both school district and community-based early learning providers that
263.33 is informed by a measure of adult-child interactions and enables teachers to be highly
263.34 knowledgeable in early childhood curriculum content, assessment, native and English
263.35 language development programs, and instruction; and

264.1 (11) implement strategies that support the alignment of professional development,
264.2 instruction, assessments, and prekindergarten through grade three curricula.

264.3 (b) A voluntary prekindergarten program must ensure that all classroom teachers
264.4 have an early childhood license issued by the Board of Teaching, or special permission,
264.5 by the 2022-2023 school year and later.

264.6 (c) Districts and charter schools must include their strategy for implementing and
264.7 measuring the impact of their voluntary prekindergarten program under section 120B.11
264.8 and provide results in their world's best workforce annual summary to the commissioner
264.9 of education.

264.10 Subd. 3. **Mixed delivery of services.** A district or charter school may contract
264.11 with a charter school, Head Start or child care centers, family child care programs
264.12 licensed under section 245A.03, or a community-based organization to provide eligible
264.13 children with developmentally appropriate services that meet the program requirements in
264.14 subdivision 2. Components of a mixed-delivery plan include strategies for recruitment,
264.15 contracting, and monitoring of fiscal compliance and program quality.

264.16 Subd. 4. **Eligibility.** A child who is four years of age as of September 1 in the
264.17 calendar year in which the school year commences is eligible to participate in a voluntary
264.18 prekindergarten program free of charge. Each eligible child must complete a health and
264.19 developmental screening within 90 days of program enrollment under sections 121A.16 to
264.20 121A.19, and provide documentation of required immunizations under section 121A.15.

264.21 Subd. 5. **Application process; priority for high poverty schools.** (a) To qualify
264.22 for program approval for fiscal year 2017, a district or charter school must submit an
264.23 application to the commissioner by July 1, 2016. To qualify for program approval for
264.24 fiscal year 2018 and later, a district or charter school must submit an application to the
264.25 commissioner by January 30 of the fiscal year prior to the fiscal year in which the program
264.26 will be implemented. The application must include:

264.27 (1) a description of the proposed program, including the number of hours per week
264.28 the program will be offered at each school site or mixed-delivery location;

264.29 (2) an estimate of the number of eligible children to be served in the program at each
264.30 school site or mixed-delivery location; and

264.31 (3) a statement of assurances signed by the superintendent or charter school director
264.32 that the proposed program meets the requirements of subdivision 2.

264.33 (b) The commissioner must review all applications submitted for fiscal year 2017 by
264.34 August 1, 2016, and must review all applications submitted for fiscal year 2018 and later
264.35 by March 1 of the fiscal year in which the applications are received and determine whether
264.36 each application meets the requirements of paragraph (a).

265.1 (c) The commissioner must divide all applications for new or expanded programs
265.2 meeting the requirements of paragraph (a) into four groups as follows: the Minneapolis and
265.3 St. Paul school districts; other school districts located in the metropolitan equity region as
265.4 defined in section 126C.10, subdivision 28; school districts located in the rural equity region
265.5 as defined in section 126C.10, subdivision 28; and charter schools. Within each group, the
265.6 applications must be ordered by rank using a sliding scale based on the following criteria:

265.7 (1) concentration of kindergarten students eligible for free or reduced-price lunches
265.8 by school site on October 1 of the previous school year. For school district programs to be
265.9 operated at locations that do not have free and reduced-price lunch concentration data for
265.10 kindergarten programs for October 1 of the previous school year, including mixed-delivery
265.11 programs, the school district average concentration of kindergarten students eligible for
265.12 free or reduced-price lunches must be used for the rank ordering;

265.13 (2) presence or absence of a three- or four-star Parent Aware rated program within
265.14 the school district or close proximity of the district. School sites with the highest
265.15 concentration of kindergarten students eligible for free or reduced-price lunches that
265.16 do not have a three- or four-star Parent Aware program within the district or close
265.17 proximity of the district shall receive the highest priority, and school sites with the lowest
265.18 concentration of kindergarten students eligible for free or reduced-price lunches that have
265.19 a three- or four-star Parent Aware rated program within the district or close proximity of
265.20 the district shall receive the lowest priority. If a tie exists in the rank order of applications
265.21 under this paragraph, the commissioner must give priority among the tied applications to
265.22 the applicant with the highest proportion of prekindergarten classroom teachers with an
265.23 early childhood license issued by the Board of Teaching.

265.24 (d) The aid available for the program as specified in subdivision 6, paragraph (b),
265.25 must initially be allocated among the four groups based on each group's percentage share
265.26 of the statewide kindergarten enrollment on October 1 of the previous school year. Within
265.27 each group, the available aid must be allocated among school sites in priority order until
265.28 that region's share of the aid limit is reached. If the aid limit is not reached for all groups,
265.29 the remaining amount must be allocated to the highest priority school sites, as designated
265.30 under this section, not funded in the initial allocation on a statewide basis.

265.31 (e) Once a school site is approved for aid under this subdivision, it shall remain
265.32 eligible for aid if it continues to meet program requirements, regardless of changes in the
265.33 concentration of students eligible for free or reduced-price lunches.

265.34 (f) If the total aid entitlement approved based on applications submitted under
265.35 paragraph (a) is less than the aid entitlement limit under subdivision 6, paragraph (b),
265.36 the commissioner must notify all school districts and charter schools of the amount that

266.1 remains available within 30 days of the initial application deadline under paragraph (a),
266.2 and complete a second round of allocations based on applications received within 60 days
266.3 of the initial application deadline.

266.4 (g) Procedures for approving applications submitted under paragraph (f) shall be the
266.5 same as specified in paragraphs (a) to (d), except that the allocations shall be made to the
266.6 highest priority school sites not funded in the initial allocation on a statewide basis.

266.7 Subd. 6. **Program and aid entitlement limits.** (a) Notwithstanding section
266.8 126C.05, subdivision 1, paragraph (d), the pupil units for a voluntary prekindergarten
266.9 program for an eligible school district or charter school must not exceed 60 percent of the
266.10 kindergarten pupil units for that school district or charter school under section 126C.05,
266.11 subdivision 1, paragraph (e).

266.12 (b) In reviewing applications under subdivision 5, the commissioner must limit the
266.13 estimated state aid entitlement approved under this section to \$27,092,000 for fiscal year
266.14 2017, \$33,095,000 for fiscal year 2018, and \$40,203,000 for fiscal year 2019 and later. If
266.15 the actual state aid entitlement based on final data exceeds the limit in any year, the aid of
266.16 the participating districts must be prorated so as not to exceed the limit.

266.17 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
266.18 later.

266.19 Sec. 5. Minnesota Statutes 2015 Supplement, section 124D.59, subdivision 2, is
266.20 amended to read:

266.21 Subd. 2. **English learner.** (a) "English learner" means a pupil in kindergarten
266.22 through grade 12 or a prekindergarten student enrolled in an approved voluntary
266.23 prekindergarten program under section 124D.151 who meets the requirements under
266.24 subdivision 2a or the following requirements:

266.25 (1) the pupil, as declared by a parent or guardian first learned a language other than
266.26 English, comes from a home where the language usually spoken is other than English, or
266.27 usually speaks a language other than English; and

266.28 (2) the pupil is determined by a valid assessment measuring the pupil's English
266.29 language proficiency and by developmentally appropriate measures, which might include
266.30 observations, teacher judgment, parent recommendations, or developmentally appropriate
266.31 assessment instruments, to lack the necessary English skills to participate fully in
266.32 academic classes taught in English.

266.33 (b) A pupil enrolled in a Minnesota public school in any grade 4 through 12 who in
266.34 the previous school year took a commissioner-provided assessment measuring the pupil's
266.35 emerging academic English, shall be counted as an English learner in calculating English

267.1 learner pupil units under section 126C.05, subdivision 17, and shall generate state English
267.2 learner aid under section 124D.65, subdivision 5, if the pupil scored below the state cutoff
267.3 score or is otherwise counted as a nonproficient participant on the assessment measuring
267.4 the pupil's emerging academic English, or, in the judgment of the pupil's classroom
267.5 teachers, consistent with section 124D.61, clause (1), the pupil is unable to demonstrate
267.6 academic language proficiency in English, including oral academic language, sufficient to
267.7 successfully and fully participate in the general core curriculum in the regular classroom.

267.8 (c) Notwithstanding paragraphs (a) and (b), a pupil in ~~kindergarten~~ prekindergarten
267.9 under section 124D.151, through grade 12 shall not be counted as an English learner in
267.10 calculating English learner pupil units under section 126C.05, subdivision 17, and shall
267.11 not generate state English learner aid under section 124D.65, subdivision 5, if:

267.12 (1) the pupil is not enrolled during the current fiscal year in an educational program
267.13 for English learners under sections 124D.58 to 124D.64; or

267.14 (2) the pupil has generated seven or more years of average daily membership in
267.15 Minnesota public schools since July 1, 1996.

267.16 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
267.17 later.

267.18 Sec. 6. Minnesota Statutes 2014, section 124D.68, subdivision 2, is amended to read:

267.19 Subd. 2. **Eligible pupils.** (a) A pupil under the age of 21 or who meets the
267.20 requirements of section 120A.20, subdivision 1, paragraph (c), is eligible to participate in
267.21 the graduation incentives program, if the pupil:

267.22 (1) performs substantially below the performance level for pupils of the same age
267.23 in a locally determined achievement test;

267.24 (2) is behind in satisfactorily completing coursework or obtaining credits for
267.25 graduation;

267.26 (3) is pregnant or is a parent;

267.27 (4) has been assessed as chemically dependent;

267.28 (5) has been excluded or expelled according to sections 121A.40 to 121A.56;

267.29 (6) has been referred by a school district for enrollment in an eligible program or
267.30 a program pursuant to section 124D.69;

267.31 (7) is a victim of physical or sexual abuse;

267.32 (8) has experienced mental health problems;

267.33 (9) has experienced homelessness sometime within six months before requesting a
267.34 transfer to an eligible program;

267.35 (10) speaks English as a second language or is an English learner; or

268.1 (11) has withdrawn from school or has been chronically truant; or

268.2 (12) is being treated in a hospital in the seven-county metropolitan area for cancer or
268.3 other life threatening illness or is the sibling of an eligible pupil who is being currently
268.4 treated, and resides with the pupil's family at least 60 miles beyond the outside boundary
268.5 of the seven-county metropolitan area.

268.6 (b) For the 2016-2017 school year only, a pupil otherwise qualifying under
268.7 paragraph (a) who is at least 21 years of age and not yet 22 years of age and is an English
268.8 learner with an interrupted formal education according to section 124D.59, subdivision 2a,
268.9 is eligible to participate in the graduation incentives program under section 124D.68 and
268.10 in concurrent enrollment courses offered under section 124D.09, subdivision 10, and is
268.11 funded in the same manner as other pupils under this section.

268.12 Sec. 7. Minnesota Statutes 2015 Supplement, section 126C.05, subdivision 1, is
268.13 amended to read:

268.14 Subdivision 1. **Pupil unit.** Pupil units for each Minnesota resident pupil under the
268.15 age of 21 or who meets the requirements of section 120A.20, subdivision 1, paragraph
268.16 (c), in average daily membership enrolled in the district of residence, in another district
268.17 under sections 123A.05 to 123A.08, 124D.03, 124D.08, or 124D.68; in a charter school
268.18 under chapter 124E; or for whom the resident district pays tuition under section 123A.18,
268.19 123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04,
268.20 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65, shall be counted according to this
268.21 subdivision.

268.22 (a) A prekindergarten pupil with a disability who is enrolled in a program approved
268.23 by the commissioner and has an individualized education program is counted as the ratio
268.24 of the number of hours of assessment and education service to 825 times 1.0 with a
268.25 minimum average daily membership of 0.28, but not more than 1.0 pupil unit.

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

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

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

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

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

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

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

269.10 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
269.11 later.

269.12 Sec. 8. Minnesota Statutes 2014, section 126C.05, subdivision 3, is amended to read:

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

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

269.17 (1) the sum of the number of pupils enrolled in the building eligible to receive free
269.18 lunch plus one-half of the pupils eligible to receive reduced priced lunch on October
269.19 1 of the previous fiscal year; to

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

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

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

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

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

269.30 (3) .60.

269.31 (d) Notwithstanding paragraphs (a) to (c), for voluntary prekindergarten programs
269.32 under section 124D.151, charter schools, and contracted alternative programs in the
269.33 first year of operation, compensation revenue pupil units shall be computed using data
269.34 for the current fiscal year. If the voluntary prekindergarten program, charter school, or
269.35 contracted alternative program begins operation after October 1, compensatory revenue

270.1 pupil units shall be computed based on pupils enrolled on an alternate date determined by
270.2 the commissioner, and the compensation revenue pupil units shall be prorated based on
270.3 the ratio of the number of days of student instruction to 170 days.

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

270.6 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
270.7 later.

270.8 Sec. 9. Minnesota Statutes 2014, section 126C.10, subdivision 2d, is amended to read:

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

270.13 (b) Notwithstanding paragraph (a), for fiscal years 2015, 2016, and 2017 only, a pupil
270.14 enrolled at the Crosswinds school shall not generate declining enrollment revenue for the
270.15 district or charter school in which the pupil was last counted in average daily membership.

270.16 (c) Notwithstanding paragraph (a), for fiscal years 2017, 2018, and 2019 only,
270.17 prekindergarten pupil units under section 126C.05, subdivision 1, paragraph (d), must be
270.18 excluded from the calculation of declining enrollment revenue.

270.19 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
270.20 later.

270.21 Sec. 10. Minnesota Statutes 2015 Supplement, section 126C.10, subdivision 13a,
270.22 is amended to read:

270.23 Subd. 13a. **Operating capital levy.** To obtain operating capital revenue, a district
270.24 may levy an amount not more than the product of its operating capital revenue for the
270.25 fiscal year times the lesser of one or the ratio of its adjusted net tax capacity per adjusted
270.26 pupil unit to the operating capital equalizing factor. The operating capital equalizing factor
270.27 equals ~~\$14,500 for fiscal years 2015 and 2016, \$14,740~~ \$16,680 for fiscal year 2017,
270.28 ~~\$17,473~~ \$21,523 for fiscal year 2018, and ~~\$20,510~~ \$27,678 for fiscal year 2019 and later.

270.29 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
270.30 later.

270.31 Sec. 11. Minnesota Statutes 2014, section 126C.10, subdivision 24, is amended to read:

270.32 Subd. 24. **Equity revenue.** (a) A school district qualifies for equity revenue if:

271.1 (1) the school district's adjusted pupil unit amount of basic revenue, transition
271.2 revenue, and referendum revenue is less than the value of the school district at or
271.3 immediately above the 95th percentile of school districts in its equity region for those
271.4 revenue categories; and

271.5 (2) the school district's administrative offices are not located in a city of the first
271.6 class on July 1, 1999.

271.7 (b) Equity revenue for a qualifying district that receives referendum revenue under
271.8 section 126C.17, subdivision 4, equals the product of (1) the district's adjusted pupil
271.9 units for that year; times (2) the sum of (i) \$14, plus (ii) \$80, times the school district's
271.10 equity index computed under subdivision 27.

271.11 (c) Equity revenue for a qualifying district that does not receive referendum revenue
271.12 under section 126C.17, subdivision 4, equals the product of the district's adjusted pupil
271.13 units for that year times \$14.

271.14 (d) A school district's equity revenue is increased by the greater of zero or an amount
271.15 equal to the district's adjusted pupil units times the difference between ten percent of the
271.16 statewide average amount of referendum revenue per adjusted pupil unit for that year and
271.17 the district's referendum revenue per adjusted pupil unit. A school district's revenue under
271.18 this paragraph must not exceed \$100,000 for that year.

271.19 (e) A school district's equity revenue for a school district ~~located in the metro equity~~
271.20 region with any of its area located within Anoka, Carver, Dakota, Hennepin, Ramsey,
271.21 Scott, or Washington County equals the amount computed in paragraphs (b), (c), and (d)
271.22 multiplied by 1.25.

271.23 (f) A school district's additional equity revenue equals \$50 times its adjusted pupil
271.24 units.

271.25 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2018 and
271.26 later.

271.27 Sec. 12. Laws 2011, First Special Session chapter 11, article 4, section 8, is amended to
271.28 read:

271.29 Sec. 8. **EARLY REPAYMENT.**

271.30 (a) A school district that received a maximum effort capital loan prior to January
271.31 1, 1997, may repay the full outstanding original principal on its capital loan prior to
271.32 July 1, 2012, and the liability of the district on the loan is satisfied and discharged and
271.33 interest on the loan ceases.

271.34 (b) A school district with an outstanding capital loan balance that received a
271.35 maximum effort capital loan prior to January 1, 2007, may repay to the commissioner of

272.1 education by November 30, 2016, the full outstanding original principal on its capital
 272.2 loan and the liability of the district on the loan is satisfied and discharged and interest
 272.3 on the loan ceases.

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

272.5 Sec. 13. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision
 272.6 2, is amended to read:

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

272.9		6,624,310,000		
272.10	\$	<u>6,649,435,000</u>	.....	2016
272.11		6,761,574,000		
272.12	\$	<u>6,815,589,000</u>	.....	2017

272.13 The 2016 appropriation includes \$622,908,000 for 2015 and ~~\$6,001,405,000~~
 272.14 \$6,026,527,000 for 2016.

272.15 The 2017 appropriation includes ~~\$638,812,000~~ \$641,412,000 for 2016 and
 272.16 ~~\$6,122,762,000~~ \$6,174,177,000 for 2017.

272.17 Sec. 14. Laws 2015, First Special Session chapter 3, article 7, section 7, subdivision 2,
 272.18 is amended to read:

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

272.21		15,661,000		
272.22	\$	<u>16,251,000</u>	.....	2016
272.23		15,818,000		
272.24	\$	<u>16,775,000</u>	.....	2017

272.25 Sec. 15. Laws 2015, First Special Session chapter 3, article 7, section 7, subdivision 3,
 272.26 is amended to read:

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

272.29		9,731,000		
272.30	\$	<u>9,457,000</u>	.....	2016
272.31		10,361,000		
272.32	\$	<u>10,365,000</u>	.....	2017

272.33 Sec. 16. **RECIPROCITY AGREEMENT EXEMPTION; HENDRICKS.**

273.1 Notwithstanding Minnesota Statutes, sections 124D.04, subdivision 6, paragraph
273.2 (b); 124D.041, subdivision 3, paragraph (b); and 124D.05, subdivision 2a, the provisions
273.3 of Minnesota Statutes, section 124D.041, and the agreement shall not apply to Independent
273.4 School District No. 402, Hendricks.

273.5 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and
273.6 later.

273.7 **ARTICLE 13**

273.8 **EDUCATION EXCELLENCE**

273.9 Section 1. Minnesota Statutes 2014, section 13.321, is amended by adding a
273.10 subdivision to read:

273.11 Subd. 11. **Student-user privacy requirements.** Section 125B.27 governs privacy
273.12 and information practices of online educational services.

273.13 Sec. 2. Minnesota Statutes 2014, section 120B.021, subdivision 1, is amended to read:

273.14 Subdivision 1. **Required academic standards.** (a) The following subject areas
273.15 are required for statewide accountability:

273.16 (1) language arts;

273.17 (2) mathematics;

273.18 (3) science;

273.19 (4) social studies, including history, geography, economics, and government and
273.20 citizenship;

273.21 (5) physical education;

273.22 (6) health, for which locally developed academic standards apply; and

273.23 (7) the arts, for which statewide or locally developed academic standards apply, as

273.24 determined by the school district. Public elementary and middle schools must offer at least

273.25 three and require at least two of the following four arts areas: dance; music; theater; and

273.26 visual arts. Public high schools must offer at least three and require at least one of the

273.27 following five arts areas: media arts; dance; music; theater; and visual arts.

273.28 (b) For purposes of applicable federal law, the academic standards for language arts,
273.29 mathematics, and science apply to all public school students, except the very few students
273.30 with extreme cognitive or physical impairments for whom an individualized education
273.31 program team has determined that the required academic standards are inappropriate. An
273.32 individualized education program team that makes this determination must establish
273.33 alternative standards.

274.1 (c) The department must adopt the most recent National Association of Sport and
274.2 Physical Education kindergarten through grade 12 standards and benchmarks for physical
274.3 education as the required physical education academic standards. The department may
274.4 modify and adapt the national standards to accommodate state interest. The modification
274.5 and adaptations must maintain the purpose and integrity of the national standards. The
274.6 department must make available sample assessments for school districts to assess students'
274.7 mastery of the physical education standards beginning in the 2018-2019 school year.

274.8 (e) (d) District efforts to develop, implement, or improve instruction or curriculum
274.9 as a result of the provisions of this section must be consistent with sections 120B.10,
274.10 120B.11, and 120B.20.

274.11 Sec. 3. Minnesota Statutes 2014, section 120B.021, subdivision 3, is amended to read:

274.12 Subd. 3. **Rulemaking.** The commissioner, consistent with the requirements of
274.13 this section and section 120B.022, must adopt statewide rules under section 14.389 for
274.14 implementing statewide rigorous core academic standards in language arts, mathematics,
274.15 science, social studies, physical education, and the arts. After the rules authorized under
274.16 this subdivision are initially adopted, the commissioner may not amend or repeal these
274.17 rules nor adopt new rules on the same topic without specific legislative authorization. The
274.18 academic standards for language arts, mathematics, and the arts must be implemented for
274.19 all students beginning in the 2003-2004 school year. The academic standards for science
274.20 and social studies must be implemented for all students beginning in the 2005-2006 school
274.21 year.

274.22 Sec. 4. Minnesota Statutes 2015 Supplement, section 120B.021, subdivision 4, is
274.23 amended to read:

274.24 Subd. 4. **Revisions and reviews required.** (a) The commissioner of education must
274.25 revise and appropriately embed technology and information literacy standards consistent
274.26 with recommendations from school media specialists into the state's academic standards
274.27 and graduation requirements and implement a ten-year cycle to review and, consistent
274.28 with the review, revise state academic standards and related benchmarks, consistent with
274.29 this subdivision. During each ten-year review and revision cycle, the commissioner also
274.30 must examine the alignment of each required academic standard and related benchmark
274.31 with the knowledge and skills students need for career and college readiness and advanced
274.32 work in the particular subject area. The commissioner must include the contributions of
274.33 Minnesota American Indian tribes and communities as related to the academic standards
274.34 during the review and revision of the required academic standards.

275.1 (b) The commissioner must ensure that the statewide mathematics assessments
275.2 administered to students in grades 3 through 8 and 11 are aligned with the state academic
275.3 standards in mathematics, consistent with section 120B.30, subdivision 1, paragraph
275.4 (b). The commissioner must implement a review of the academic standards and related
275.5 benchmarks in mathematics beginning in the 2020-2021 school year and every ten years
275.6 thereafter.

275.7 (c) The commissioner must implement a review of the academic standards and related
275.8 benchmarks in arts beginning in the 2016-2017 school year and every ten years thereafter.

275.9 (d) The commissioner must implement a review of the academic standards and
275.10 related benchmarks in science beginning in the 2017-2018 school year and every ten
275.11 years thereafter.

275.12 (e) The commissioner must implement a review of the academic standards and
275.13 related benchmarks in language arts beginning in the 2018-2019 school year and every
275.14 ten years thereafter.

275.15 (f) The commissioner must implement a review of the academic standards and
275.16 related benchmarks in social studies beginning in the 2019-2020 school year and every
275.17 ten years thereafter.

275.18 (g) The commissioner must implement a review of the academic standards and
275.19 related benchmarks in physical education beginning in the 2024-2025 school year and
275.20 every ten years thereafter.

275.21 (h) School districts and charter schools must revise and align local academic
275.22 standards and high school graduation requirements in health, world languages, and career
275.23 and technical education to require students to complete the revised standards beginning
275.24 in a school year determined by the school district or charter school. School districts and
275.25 charter schools must formally establish a periodic review cycle for the academic standards
275.26 and related benchmarks in health, world languages, and career and technical education.

275.27 Sec. 5. **[120B.026] PHYSICAL EDUCATION.**

275.28 Subdivision 1. Exclusion from class; recess. A student may be excused from a
275.29 physical education class if the student submits written information signed by a physician
275.30 stating that physical activity will jeopardize the student's health. A student may be
275.31 excused from a physical education class if being excused meets the child's unique and
275.32 individualized needs according to the child's individualized education program, federal
275.33 504 plan, or individualized health plan. A student may be excused if a parent or guardian
275.34 requests an exemption on religious grounds. A student with a disability must be provided
275.35 with modifications or adaptations that allow physical education class to meet their needs.

276.1 Schools are strongly encouraged not to exclude students in kindergarten through grade
276.2 5 from recess due to punishment or disciplinary action.

276.3 Subd. 2. **Teachers.** Physical education must be taught by teachers who are licensed
276.4 to teach physical education. A physical education teacher shall be adequately prepared
276.5 and regularly participate in professional development activities under section 122A.60.

276.6 Sec. 6. Minnesota Statutes 2014, section 120B.232, is amended to read:

276.7 **120B.232 CHARACTER DEVELOPMENT EDUCATION.**

276.8 Subdivision 1. **Character development education.** (a) The legislature encourages
276.9 districts to integrate or offer instruction on character education including, but not limited
276.10 to, character qualities such as attentiveness, truthfulness, respect for authority, diligence,
276.11 gratefulness, self-discipline, patience, forgiveness, respect for others, peacemaking, and
276.12 resourcefulness. Instruction should be integrated into a district's existing programs,
276.13 curriculum, or the general school environment. The commissioner shall provide assistance
276.14 at the request of a district to develop character education curriculum and programs.

276.15 (b) Character development education under paragraph (a) may include a voluntary
276.16 elementary, middle, and high school program that incorporates the history and values of
276.17 Congressional Medal of Honor recipients and may be offered as part of the social studies,
276.18 English language arts, or other curriculum, as a schoolwide character building and veteran
276.19 awareness initiative, or as an after-school program, among other possibilities.

276.20 Subd. 1a. **Staff development; continuing education.** (a) Staff development
276.21 opportunities under section 122A.60 may include training in character development
276.22 education that incorporates the history and values of Congressional Medal of Honor
276.23 recipients under subdivision 1, paragraph (b), and is provided without cost to the interested
276.24 school or district.

276.25 (b) Local continuing education and relicensure committees or other local relicensure
276.26 committees under section 122A.18, subdivision 4, are encouraged to approve up to six
276.27 clock hours of continuing education for licensed teachers who complete the training in
276.28 character development education under paragraph (a).

276.29 Subd. 2. **Funding sources.** The commissioner must first use federal funds for
276.30 character development education programs to the extent available under United States
276.31 Code, title 20, section 7247. Districts may accept funds from private and other public
276.32 sources for character development education programs developed and implemented under
276.33 this section, including programs funded through the Congressional Medal of Honor
276.34 Foundation, among other sources.

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

277.2 Sec. 7. Minnesota Statutes 2014, section 120B.30, subdivision 2, is amended to read:

277.3 Subd. 2. **Department of Education assistance.** (a) The Department of Education
277.4 shall contract for professional and technical services according to competitive solicitation
277.5 procedures under chapter 16C for purposes of this section.

277.6 (b) A proposal submitted under this section must include disclosures containing:

277.7 (1) comprehensive information regarding test administration monitoring practices;

277.8 and

277.9 (2) data privacy safeguards for student information to be transmitted to or used
277.10 by the proposing entity.

277.11 Information provided in the proposal is not security information or trade secret information
277.12 for purposes of section 13.37.

277.13 Sec. 8. Minnesota Statutes 2014, section 120B.30, is amended by adding a subdivision
277.14 to read:

277.15 Subd. 6. **Database.** The commissioner shall establish a reporting system for
277.16 teachers, administrators, and students to report service disruptions and technical
277.17 interruptions. The information reported through this system shall be maintained in a
277.18 database accessible through the department's Web site.

277.19 Sec. 9. Minnesota Statutes 2015 Supplement, section 120B.31, subdivision 4, is
277.20 amended to read:

277.21 Subd. 4. **Student performance data.** In developing policies and assessment
277.22 processes to hold schools and districts accountable for high levels of academic standards
277.23 under section 120B.021, the commissioner shall aggregate and disaggregate student
277.24 data over time to report summary student performance and growth levels and, under
277.25 section 120B.11, subdivision 2, clause (2), student learning and outcome data measured
277.26 at the school, school district, and statewide level. ~~When collecting and reporting the~~
277.27 ~~performance data,~~ The commissioner shall use the student categories identified under
277.28 the federal Elementary and Secondary Education Act, as most recently reauthorized,
277.29 to organize and report the data so that state and local policy makers can understand
277.30 the educational implications of changes in districts' demographic profiles over time,
277.31 including student categories of homelessness; ethnicity; race; home language; immigrant;
277.32 refugee status; English language learners under section 124D.59; free or reduced-price
277.33 lunch; and other categories designated by federal law, as data are available, among other

278.1 demographic factors. Any report the commissioner disseminates containing summary data
278.2 on student performance must integrate student performance and the demographic factors
278.3 that strongly correlate with that performance.

278.4 **EFFECTIVE DATE.** This section is effective for the 2017-2018 school year and
278.5 later.

278.6 Sec. 10. Minnesota Statutes 2014, section 120B.31, is amended by adding a
278.7 subdivision to read:

278.8 Subd. 6. **Test preparation costs.** The department must annually compile and
278.9 publish data relating to expenditures by school districts for preparation of all assessments
278.10 administered pursuant to section 120B.30, including the costs of materials and staff time.

278.11 Sec. 11. Minnesota Statutes 2014, section 120B.35, is amended to read:

278.12 **120B.35 STUDENT ACADEMIC ACHIEVEMENT AND GROWTH.**

278.13 Subdivision 1. ~~School and Student indicators of growth and achievement.~~

278.14 The commissioner must develop and implement a system for measuring and reporting
278.15 academic achievement and individual student growth, consistent with the statewide
278.16 educational accountability and reporting system. The system components must measure
278.17 and separately report the adequate yearly progress of schools and the growth of individual
278.18 students: students' current achievement in schools under subdivision 2; and individual
278.19 students' educational growth over time under subdivision 3. The system also must include
278.20 statewide measures of student academic growth that identify schools with high levels
278.21 of growth, and also schools with low levels of growth that need improvement. ~~When~~
278.22 ~~determining a school's effect,~~ The data must include both statewide measures of student
278.23 achievement and, to the extent annual tests are administered, indicators of achievement
278.24 growth that take into account a student's prior achievement. Indicators of achievement and
278.25 prior achievement must be based on highly reliable statewide or districtwide summative,
278.26 interim, or formative assessments. Indicators that take into account a student's prior
278.27 achievement must not be used to disregard a school's low achievement or to exclude a
278.28 school from a program to improve low achievement levels.

278.29 Subd. 2. **Federal Expectations for student academic achievement.** (a) Each
278.30 school year, a school district must determine if the student achievement levels at each
278.31 school site meet federal expectations. If student achievement levels at a school site do
278.32 not meet federal expectations and the site has not made adequate yearly progress for two
278.33 consecutive school years, beginning with the 2001-2002 school year, the district must

279.1 work with the school site to adopt a plan to raise student achievement levels to meet
279.2 federal expectations. The commissioner of education shall establish student academic
279.3 achievement levels to comply with this paragraph.

279.4 (b) School sites identified as not meeting federal expectations must develop
279.5 continuous improvement plans in order to meet federal expectations for student academic
279.6 achievement. The department, at a district's request, must assist the district and the school
279.7 site sites in developing a plan to improve student achievement. The plan must include
279.8 parental involvement components.

279.9 (c) The commissioner must:

279.10 (1) assist school sites and districts identified as not meeting federal expectations; and

279.11 (2) provide technical assistance to schools that integrate student achievement
279.12 measures into the school continuous improvement plan.

279.13 (d) The commissioner shall establish and maintain a continuous improvement Web
279.14 site designed to make aggregated and disaggregated student growth and, under section
279.15 120B.11, subdivision 2, clause (2), student learning and outcome data on every school
279.16 and district available to parents, teachers, administrators, community members, and the
279.17 general public, consistent with this section.

279.18 Subd. 3. **State growth target; other state measures.** (a) The state's educational
279.19 assessment system measuring individual students' educational growth is based on
279.20 indicators of achievement growth that show an individual student's prior achievement.
279.21 Indicators of achievement and prior achievement must be based on highly reliable
279.22 statewide or districtwide summative, interim, or formative assessments.

279.23 (b) The commissioner, in consultation with a stakeholder group that includes
279.24 assessment and evaluation directors, district staff, experts in culturally responsive teaching,
279.25 and researchers, must implement a model that uses a value-added growth indicator and
279.26 includes criteria for identifying schools and school districts that demonstrate medium and
279.27 high growth under section 120B.299, subdivisions 8 and 9, and may recommend other
279.28 value-added measures under section 120B.299, subdivision 3. The model may be used
279.29 to advance educators' professional development and replicate programs that succeed in
279.30 meeting students' diverse learning needs. Data on individual teachers generated under the
279.31 model are personnel data under section 13.43. The model must allow users to:

279.32 (1) report student growth consistent with this paragraph; and

279.33 (2) for all student categories, report and compare aggregated and disaggregated state
279.34 student growth and, under section 120B.11, subdivision 2, clause (2), student learning
279.35 and outcome data using the nine student categories identified under the federal 2001 No
279.36 Child Left Behind Act and two student gender categories of male and female, respectively,

280.1 ~~following appropriate reporting practices to protect nonpublic student data~~ Elementary
280.2 and Secondary Education Act, as most recently reauthorized, and, in addition to the Karen
280.3 community, other student categories as determined by the total Minnesota population
280.4 at or above the 1,000-person threshold based on the most recent decennial census,
280.5 including ethnicity; race; refugee status; English language learners under section 124D.59;
280.6 home language; free or reduced-price lunch; immigrant; and all students enrolled in a
280.7 Minnesota public school who are currently or were previously in foster care, except that
280.8 such disaggregation and cross tabulation is not required if the number of students in a
280.9 category is insufficient to yield statistically reliable information or the results would reveal
280.10 personally identifiable information about an individual student.

280.11 The commissioner must report measures of student growth and, under section
280.12 120B.11, subdivision 2, clause (2), student learning and outcome data, consistent with
280.13 this paragraph, including the English language development, academic progress, and oral
280.14 academic development of English learners and their native language development if the
280.15 native language is used as a language of instruction, and include data on all pupils enrolled
280.16 in a Minnesota public school course or program who are currently or were previously
280.17 counted as an English learner under section 124D.59.

280.18 (c) When reporting student performance under section 120B.36, subdivision 1, the
280.19 commissioner annually, beginning July 1, 2011, must report two core measures indicating
280.20 the extent to which current high school graduates are being prepared for postsecondary
280.21 academic and career opportunities:

280.22 (1) a preparation measure indicating the number and percentage of high school
280.23 graduates in the most recent school year who completed course work important to
280.24 preparing them for postsecondary academic and career opportunities, consistent with
280.25 the core academic subjects required for admission to Minnesota's public colleges and
280.26 universities as determined by the Office of Higher Education under chapter 136A; and

280.27 (2) a rigorous coursework measure indicating the number and percentage of high
280.28 school graduates in the most recent school year who successfully completed one or more
280.29 college-level advanced placement, international baccalaureate, postsecondary enrollment
280.30 options including concurrent enrollment, other rigorous courses of study under section
280.31 120B.021, subdivision 1a, or industry certification courses or programs.

280.32 When reporting the core measures under clauses (1) and (2), the commissioner must also
280.33 analyze and report separate categories of information using the ~~nine~~ student categories
280.34 identified under the federal ~~2001 No Child Left Behind Act~~ and two student gender
280.35 categories of male and female, respectively, ~~following appropriate reporting practices~~
280.36 ~~to protect nonpublic student data.~~ Elementary and Secondary Education Act, as most

281.1 recently reauthorized, and, in addition to the Karen community, other student categories
281.2 as determined by the total Minnesota population at or above the 1,000-person threshold
281.3 based on the most recent decennial census, including ethnicity; race; refugee status;
281.4 English language learners under section 124D.59; home language; free or reduced-price
281.5 lunch; immigrant; and all students enrolled in a Minnesota public school who are currently
281.6 or were previously enrolled in foster care, except that such disaggregation and cross
281.7 tabulation is not required if the number of students in a category is insufficient to yield
281.8 statistically reliable information or the results would reveal personally identifiable
281.9 information about an individual student.

281.10 (d) When reporting student performance under section 120B.36, subdivision 1, the
281.11 commissioner annually, beginning July 1, 2014, must report summary data on school
281.12 safety and students' engagement and connection at school. The commissioner must
281.13 also analyze and report separate categories of information using the student categories
281.14 identified under the federal Elementary and Secondary Education Act, as most recently
281.15 reauthorized, and, in addition to the Karen community, other student categories as
281.16 determined by the total Minnesota population at or above the 1,000-person threshold based
281.17 on the most recent decennial census, including ethnicity; race; English language learners
281.18 under section 124D.59; home language; free or reduced-price lunch; immigrant; refugee
281.19 status; and all students enrolled in a Minnesota public school who are currently or were
281.20 previously enrolled in foster care, except that such disaggregation and cross tabulation
281.21 is not required if the number of students in a category is insufficient to yield statistically
281.22 reliable information or the results would reveal personally identifiable information about
281.23 an individual student. The summary data under this paragraph are separate from and
281.24 must not be used for any purpose related to measuring or evaluating the performance
281.25 of classroom teachers. The commissioner, in consultation with qualified experts on
281.26 student engagement and connection and classroom teachers, must identify highly reliable
281.27 variables that generate summary data under this paragraph. The summary data may be
281.28 used at school, district, and state levels only. Any data on individuals received, collected,
281.29 or created that are used to generate the summary data under this paragraph are nonpublic
281.30 data under section 13.02, subdivision 9.

281.31 (e) For purposes of statewide educational accountability, the commissioner must
281.32 identify and report measures that demonstrate the success of learning year program
281.33 providers under sections 123A.05 and 124D.68, among other such providers, in improving
281.34 students' graduation outcomes. The commissioner, beginning July 1, 2015, must annually
281.35 report summary data on:

281.36 (1) the four- and six-year graduation rates of students under this paragraph;

282.1 (2) the percent of students under this paragraph whose progress and performance
282.2 levels are meeting career and college readiness benchmarks under section 120B.30,
282.3 subdivision 1; and

282.4 (3) the success that learning year program providers experience in:

282.5 (i) identifying at-risk and off-track student populations by grade;

282.6 (ii) providing successful prevention and intervention strategies for at-risk students;

282.7 (iii) providing successful recuperative and recovery or reenrollment strategies for
282.8 off-track students; and

282.9 (iv) improving the graduation outcomes of at-risk and off-track students.

282.10 The commissioner may include in the annual report summary data on other education
282.11 providers serving a majority of students eligible to participate in a learning year program.

282.12 (f) The commissioner, in consultation with recognized experts with knowledge and
282.13 experience in assessing the language proficiency and academic performance of all English
282.14 learners enrolled in a Minnesota public school course or program who are currently or were
282.15 previously counted as an English learner under section 124D.59, must identify and report
282.16 appropriate and effective measures to improve current categories of language difficulty and
282.17 assessments, and monitor and report data on students' English proficiency levels, program
282.18 placement, and academic language development, including oral academic language.

282.19 Subd. 4. **Improving schools.** Consistent with the requirements of this section,
282.20 beginning June 20, 2012, the commissioner of education must annually report to the
282.21 public and the legislature best practices implemented in those schools that demonstrate
282.22 high growth compared to the state growth target.

282.23 Subd. 5. **Improving graduation rates for students with emotional or behavioral**
282.24 **disorders.** (a) A district must develop strategies in conjunction with parents of students
282.25 with emotional or behavioral disorders and the county board responsible for implementing
282.26 sections 245.487 to 245.4889 to keep students with emotional or behavioral disorders in
282.27 school, when the district has a drop-out rate for students with an emotional or behavioral
282.28 disorder in grades 9 through 12 exceeding 25 percent.

282.29 (b) A district must develop a plan in conjunction with parents of students with
282.30 emotional or behavioral disorders and the local mental health authority to increase the
282.31 graduation rates of students with emotional or behavioral disorders. A district with a
282.32 drop-out rate for children with an emotional or behavioral disturbance in grades 9 through
282.33 12 that is in the top 25 percent of all districts shall submit a plan for review and oversight
282.34 to the commissioner.

282.35 **EFFECTIVE DATE.** This section is effective for the 2017-2018 school year and
282.36 later.

283.1 Sec. 12. Minnesota Statutes 2014, section 120B.36, as amended by Laws 2015, First
283.2 Special Session chapter 3, article 2, section 8, is amended to read:

283.3 **120B.36 SCHOOL ACCOUNTABILITY; ~~APPEALS PROCESS.~~**

283.4 Subdivision 1. **School performance reports.** (a) The commissioner shall report
283.5 student academic performance data under section 120B.35, ~~subdivision~~ subdivisions
283.6 2, paragraph (b), and 3; the percentages of students showing low, medium, and high
283.7 growth under section 120B.35, subdivision 3, paragraph (b); school safety and student
283.8 engagement and connection under section 120B.35, subdivision 3, paragraph (d); rigorous
283.9 coursework under section 120B.35, subdivision 3, paragraph (c); the percentage of
283.10 students under section 120B.35, subdivision 3, paragraph (b), clause (2), whose progress
283.11 and performance levels are meeting career and college readiness benchmarks under
283.12 sections 120B.30, subdivision 1, and 120B.35, subdivision 3, paragraph (e); longitudinal
283.13 data on the progress of eligible districts in reducing disparities in students' academic
283.14 achievement and realizing racial and economic integration under section 124D.861;
283.15 the acquisition of English, and where practicable, native language academic literacy,
283.16 including oral academic language, and the academic progress of all English learners
283.17 under section 124D.59, subdivisions 2 and 2a enrolled in a Minnesota public school
283.18 course or program who are currently or were previously counted as an English learner
283.19 under section 124D.59; two separate student-to-teacher ratios that clearly indicate the
283.20 definition of teacher consistent with sections 122A.06 and 122A.15 for purposes of
283.21 determining these ratios; staff characteristics excluding salaries; student enrollment
283.22 demographics; all students enrolled in a Minnesota public school course or program who
283.23 are currently or were previously in foster care, student homelessness₂ and district mobility;
283.24 and extracurricular activities. The report also must indicate a school's adequate yearly
283.25 progress status under applicable federal law, and must not set any designations applicable
283.26 to high- and low-performing schools due solely to adequate yearly progress status.

283.27 (b) The commissioner shall develop, annually update, and post on the department
283.28 Web site school performance reports.

283.29 (c) The commissioner must make available performance reports by the beginning
283.30 of each school year.

283.31 (d) A school or district may appeal its adequate yearly progress status in writing to
283.32 the commissioner within 30 days of receiving the notice of its status. The commissioner's
283.33 decision to uphold or deny an appeal is final.

283.34 (e) School performance data are nonpublic data under section 13.02, subdivision 9,
283.35 until the commissioner publicly releases the data. The commissioner shall annually post
283.36 school performance reports to the department's public Web site no later than September 1,

284.1 except that in years when the reports reflect new performance standards, the commissioner
284.2 shall post the school performance reports no later than October 1.

284.3 Subd. 2. **Adequate yearly student progress and other data.** All data the
284.4 department receives, collects, or creates to determine adequate yearly progress status
284.5 under Public Law 107-110, section 1116, set state growth targets, and determine student
284.6 growth, learning, and outcomes under section 120B.35 are nonpublic data under section
284.7 13.02, subdivision 9, until the commissioner publicly releases the data. Districts must
284.8 provide parents sufficiently detailed summary data to permit parents to appeal under
284.9 Public Law 107-110, section 1116(b)(2). The commissioner shall annually post federal
284.10 adequate yearly progress data and state student growth, learning, and outcome data to the
284.11 department's public Web site no later than September 1, except that in years when adequate
284.12 yearly progress reflects new performance standards, the commissioner shall post federal
284.13 adequate yearly progress data and state student growth data no later than October 1.

284.14 **EFFECTIVE DATE.** This section is effective for the 2017-2018 school year and
284.15 later.

284.16 Sec. 13. Minnesota Statutes 2015 Supplement, section 120B.36, subdivision 1, is
284.17 amended to read:

284.18 Subdivision 1. **School performance reports.** (a) The commissioner shall report
284.19 student academic performance under section 120B.35, subdivision 2; the percentages of
284.20 students showing low, medium, and high growth under section 120B.35, subdivision
284.21 3, paragraph (b); school safety and student engagement and connection under section
284.22 120B.35, subdivision 3, paragraph (d); rigorous coursework under section 120B.35,
284.23 subdivision 3, paragraph (c); the percentage of students under section 120B.35, subdivision
284.24 3, paragraph (b), clause (2), whose progress and performance levels are meeting career
284.25 and college readiness benchmarks under sections 120B.30, subdivision 1, and 120B.35,
284.26 subdivision 3, paragraph (e); longitudinal data on the progress of eligible districts in
284.27 reducing disparities in students' academic achievement and realizing racial and economic
284.28 integration under section 124D.861; the acquisition of English, and where practicable,
284.29 native language academic literacy, including oral academic language, and the academic
284.30 progress of English learners under section 124D.59, subdivisions 2 and 2a; the weekly
284.31 amount of time students in kindergarten through grade 8 are scheduled to spend in physical
284.32 education class, the percent of students in kindergarten through grade 12 who receive a
284.33 passing grade in physical education, and the number of required physical education credits
284.34 high school students must complete to graduate; two separate student-to-teacher ratios that
284.35 clearly indicate the definition of teacher consistent with sections 122A.06 and 122A.15

285.1 for purposes of determining these ratios; staff characteristics excluding salaries; student
285.2 enrollment demographics; student homelessness and district mobility; and extracurricular
285.3 activities. The report also must indicate a school's adequate yearly progress status
285.4 under applicable federal law, and must not set any designations applicable to high- and
285.5 low-performing schools due solely to adequate yearly progress status.

285.6 (b) The commissioner shall develop, annually update, and post on the department
285.7 Web site school performance reports.

285.8 (c) The commissioner must make available performance reports by the beginning
285.9 of each school year.

285.10 (d) A school or district may appeal its adequate yearly progress status in writing to
285.11 the commissioner within 30 days of receiving the notice of its status. The commissioner's
285.12 decision to uphold or deny an appeal is final.

285.13 (e) School performance data are nonpublic data under section 13.02, subdivision 9,
285.14 until the commissioner publicly releases the data. The commissioner shall annually post
285.15 school performance reports to the department's public Web site no later than September 1,
285.16 except that in years when the reports reflect new performance standards, the commissioner
285.17 shall post the school performance reports no later than October 1.

285.18 **EFFECTIVE DATE.** This section is effective the day following final enactment
285.19 and applies to reports for the 2017-2018 school year and later.

285.20 Sec. 14. Minnesota Statutes 2015 Supplement, section 122A.21, subdivision 2, is
285.21 amended to read:

285.22 Subd. 2. **Licensure via portfolio.** (a) An eligible candidate may use licensure via
285.23 portfolio to obtain an initial licensure or to add a licensure field, consistent with applicable
285.24 Board of Teaching licensure rules.

285.25 (b) A candidate for initial licensure must submit to the Educator Licensing Division
285.26 at the department one portfolio demonstrating pedagogical competence and one portfolio
285.27 demonstrating content competence.

285.28 (c) A candidate seeking to add a licensure field must submit to the Educator
285.29 Licensing Division at the department one portfolio demonstrating content competence.

285.30 (d) The Board of Teaching must notify a candidate who submits a portfolio under
285.31 paragraph (b) or (c) within 90 calendar days after the portfolio is received whether or not
285.32 the portfolio was approved. If the portfolio was not approved, the board must immediately
285.33 inform the candidate how to revise the portfolio to successfully demonstrate the requisite
285.34 competence. The candidate may resubmit a revised portfolio at any time and the Educator

286.1 Licensing Division at the department must approve or disapprove the portfolio within
286.2 60 calendar days of receiving it.

286.3 (e) A candidate must pay to the executive secretary of the Board of Teaching a \$300
286.4 fee for the first portfolio submitted for review and a \$200 fee for any portfolio submitted
286.5 subsequently. The fees must be paid to the executive secretary of the Board of Teaching.
286.6 The revenue generated from the fee ~~must be~~ is deposited in an education licensure
286.7 portfolio account in the special revenue fund and is appropriated to the commissioner of
286.8 education for licensure via portfolio expenditures. The fees set by the Board of Teaching
286.9 are nonrefundable for applicants not qualifying for a license. The Board of Teaching may
286.10 waive or reduce fees for candidates based on financial need.

286.11 Sec. 15. Minnesota Statutes 2015 Supplement, section 122A.415, subdivision 4,
286.12 is amended to read:

286.13 Subd. 4. **Basic alternative teacher compensation aid.** (a) The basic alternative
286.14 teacher compensation aid for a school with a plan approved under section 122A.414,
286.15 subdivision 2b, equals 65 percent of the alternative teacher compensation revenue under
286.16 subdivision 1. The basic alternative teacher compensation aid for a charter school with a
286.17 plan approved under section 122A.414, subdivisions 2a and 2b, equals \$260 times the
286.18 number of pupils enrolled in the school on October 1 of the previous year, or on October
286.19 1 of the current year for a charter school in the first year of operation, times the ratio of
286.20 the sum of the alternative teacher compensation aid and alternative teacher compensation
286.21 levy for all participating school districts to the maximum alternative teacher compensation
286.22 revenue for those districts under subdivision 1.

286.23 (b) Notwithstanding paragraph (a) and subdivision 1, the state total basic alternative
286.24 teacher compensation aid entitlement must not exceed ~~\$88,118,000 for fiscal year 2017~~
286.25 ~~and later. The commissioner must limit the amount of alternative teacher compensation~~
286.26 ~~aid approved under this section so as not to exceed these limits~~ \$75,840,000 for fiscal year
286.27 2016. Basic alternative teacher compensation aid for an intermediate district or other
286.28 cooperative unit equals \$3,000 times the number of licensed teachers employed by the
286.29 intermediate district or cooperative unit on October 1 of the previous school year.

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

286.31 Sec. 16. Minnesota Statutes 2015 Supplement, section 122A.61, subdivision 1, is
286.32 amended to read:

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

287.4 (1) teacher development and evaluation under section 122A.40, subdivision 8, or
287.5 122A.41, subdivision 5;

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

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

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

287.9 To the extent extra funds remain, staff development revenue may be used for
287.10 staff development plans, including plans for challenging instructional activities and
287.11 experiences under section 122A.60, and for curriculum development and programs, other
287.12 in-service education, teachers' mentoring under section 122A.70 and evaluation, teachers'
287.13 workshops, teacher conferences, the cost of substitute teachers for staff development
287.14 purposes, preservice and in-service education for special education professionals and
287.15 paraprofessionals, and other related costs for staff development efforts. A district may
287.16 annually waive the requirement to reserve their basic revenue under this section if a
287.17 majority vote of the licensed teachers in the district and a majority vote of the school board
287.18 agree to a resolution to waive the requirement. A district in statutory operating debt is
287.19 exempt from reserving basic revenue according to this section. Districts may expend an
287.20 additional amount of unreserved revenue for staff development based on their needs.

287.21 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2017
287.22 and later.

287.23 Sec. 17. Minnesota Statutes 2014, section 122A.61, is amended by adding a
287.24 subdivision to read:

287.25 **Subd. 1a. Staff development aid for intermediate school districts and other**
287.26 **cooperative units.** (a) An intermediate school district or other cooperative unit providing
287.27 instruction to students in federal instructional settings of level 4 or higher qualifies for
287.28 staff development aid equal to \$675 times the full-time equivalent number of licensed
287.29 instructional staff, related services staff, and nonlicensed classroom aides employed by the
287.30 intermediate school district or other cooperative unit during the previous fiscal year.

287.31 (b) Staff development aid received under this subdivision must be used for activities
287.32 related to enhancing services to students who may have challenging behaviors or mental
287.33 health issues or be suffering from trauma. Specific qualifying staff development activities
287.34 include but are not limited to:

287.35 (1) proactive behavior management;

- 288.1 (2) personal safety training;
288.2 (3) de-escalation techniques;
288.3 (4) adaptation of published curriculum and pedagogy for students with complex
288.4 learning and behavioral needs; and
288.5 (5) other staff development activities specific to the population in this paragraph.
288.6 (c) The aid received under this subdivision must be reserved and spent only on
288.7 the activities specified in this subdivision.

288.8 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2017
288.9 and later.

288.10 Sec. 18. Minnesota Statutes 2014, section 122A.63, subdivision 1, is amended to read:

288.11 Subdivision 1. **Establishment.** (a) A grant program is established to assist American
288.12 Indian people to become teachers and to provide additional education for American Indian
288.13 teachers. The commissioner may award a joint grant to each of the following:

288.14 (1) the Duluth campus of the University of Minnesota and Independent School
288.15 District No. 709, Duluth;

288.16 (2) Bemidji State University and Independent School District No. 38, Red Lake;

288.17 (3) Moorhead State University and one of the school districts located within the
288.18 White Earth Reservation; and

288.19 (4) Augsburg College, Independent School District No. 625, St. Paul, and Special
288.20 School District No. 1, Minneapolis.

288.21 (b) If additional funds are available, the commissioner may award additional joint
288.22 grants to other postsecondary institutions and school districts.

288.23 Sec. 19. Minnesota Statutes 2014, section 123B.04, subdivision 2, is amended to read:

288.24 Subd. 2. **Agreement.** (a) The school board and a school site may enter into an
288.25 agreement under this section solely to develop and implement an individualized learning
288.26 and achievement contract under subdivision 4.

288.27 (b) Upon the request of 60 percent of the licensed employees of a site or a school
288.28 site decision-making team, the school board shall enter into discussions to reach an
288.29 agreement concerning the governance, management, or control of the school. A school
288.30 site decision-making team may include the school principal, teachers in the school or their
288.31 designee, other employees in the school, representatives of pupils in the school, or other
288.32 members in the community. A school site decision-making team must include at least one
288.33 parent of a pupil in the school. For purposes of formation of a new site, a school site
288.34 decision-making team may be a team of teachers that is recognized by the board as a site.

289.1 The school site decision-making team shall include the school principal or other person
289.2 having general control and supervision of the school. The site decision-making team
289.3 must reflect the diversity of the education site. At least one-half of the members shall be
289.4 employees of the district, unless an employee is the parent of a student enrolled in the school
289.5 site, in which case the employee may elect to serve as a parent member of the site team.

289.6 (c) School site decision-making agreements must delegate powers, duties, and
289.7 broad management responsibilities to site teams and involve staff members, students as
289.8 appropriate, and parents in decision making.

289.9 (d) An agreement shall include a statement of powers, duties, responsibilities, and
289.10 authority to be delegated to and within the site.

289.11 (e) An agreement may include:

289.12 (1) an achievement contract according to subdivision 4;

289.13 (2) a mechanism to allow principals, a site leadership team, or other persons having
289.14 general control and supervision of the school, to make decisions regarding how financial
289.15 and personnel resources are best allocated at the site and from whom goods or services
289.16 are purchased;

289.17 (3) a mechanism to implement parental involvement programs under section
289.18 124D.895 and to provide for effective parental communication and feedback on this
289.19 involvement at the site level;

289.20 (4) a provision that would allow the team to determine who is hired into licensed
289.21 and nonlicensed positions;

289.22 (5) a provision that would allow teachers to choose the principal or other person
289.23 having general control;

289.24 (6) an amount of revenue allocated to the site under subdivision 3; and

289.25 (7) any other powers and duties determined appropriate by the board.

289.26 An agreement may assign such powers, duties, and management responsibilities to
289.27 the licensed teachers at a school site to create teacher-governed schools and qualify the
289.28 district and site for a grant under subdivision 2a.

289.29 The school board of the district remains the legal employer under clauses (4) and (5).

289.30 (f) Any powers or duties not delegated to the school site management team in the
289.31 school site management agreement shall remain with the school board.

289.32 (g) Approved agreements shall be filed with the commissioner. If a school board
289.33 denies a request or the school site and school board fail to reach an agreement to enter
289.34 into a school site management agreement, the school board shall provide a copy of the
289.35 request and the reasons for its denial to the commissioner.

290.1 (h) A site decision-making grant program is established, consistent with this
290.2 subdivision, to allow sites to implement an agreement that at least:

290.3 (1) notwithstanding subdivision 3, allocates to the site all revenue that is attributable
290.4 to the students at that site;

290.5 (2) includes a provision, consistent with current law and the collective bargaining
290.6 agreement in effect, that allows the site team to decide who is selected from within the
290.7 district for licensed and nonlicensed positions at the site and to make staff assignments
290.8 in the site; and

290.9 (3) includes a completed performance agreement under subdivision 4.

290.10 The commissioner shall establish the form and manner of the application for a grant
290.11 and annually, at the end of each fiscal year, report to the house of representatives and
290.12 senate committees having jurisdiction over education on the progress of the program.

290.13 **EFFECTIVE DATE.** This section is effective for fiscal year 2017 and later.

290.14 Sec. 20. Minnesota Statutes 2014, section 123B.04, is amended by adding a
290.15 subdivision to read:

290.16 **Subd. 2a. Teacher-governed schools.** (a) Consistent with subdivision 2 allowing
290.17 a school board to agree to assign powers, duties, and management responsibilities to a
290.18 school site, and subject to an agreement between the interested school board and the
290.19 exclusive representative of the teachers, a grant program is established to encourage
290.20 licensed teachers employed at a school site to explore and develop organizational models
290.21 for teaching and learning, provide curriculum and corresponding formative, interim, and
290.22 summative assessments, measure and evaluate teacher performance, assign teaching
290.23 positions and restructure instructional work, provide professional development to support
290.24 teachers restructuring their work, allocate revenue, assert autonomy and leadership, and
290.25 pursue other such policies, strategies, and activities for creating teacher-governed schools.

290.26 (b) The commissioner, after receiving the approved agreement filed by the
290.27 parties under subdivision 2, paragraph (g), shall award planning and start-up grants
290.28 on a first-come, first-served basis until appropriated funds are expended, distributing
290.29 the grants throughout Minnesota to the extent practicable and consistent with this
290.30 subdivision. Subject to the content and projected expenditures of the parties' agreement,
290.31 the commissioner shall award grants to eligible districts as follows:

290.32 (1) a planning grant of up to \$20,000 during the first year of the parties' agreement; and

290.33 (2) an implementation grant of up to \$100,000 during each of the next two years
290.34 of the parties' agreement.

291.1 A grant recipient that terminates an agreement before the end of a school year must return
291.2 a pro rata portion of the grant to the commissioner, the amount of which the commissioner
291.3 must determine based upon the number of school days remaining in the school year after
291.4 the agreement is terminated. Grant recipients are encouraged to seek matching funds or
291.5 in-kind contributions from nonstate sources to supplement the grant awards.

291.6 (c) A school district receiving a grant must transmit to the commissioner in an
291.7 electronic format and post on its Web site by the end of the school year readily accessible
291.8 information about recommended best practices based on its experience and progress under
291.9 this section. The commissioner must make information about these recommended best
291.10 practices readily available to interested districts and schools throughout Minnesota.

291.11 **EFFECTIVE DATE.** This section is effective for fiscal year 2017 and later.

291.12 Sec. 21. Minnesota Statutes 2014, section 124D.091, subdivision 2, is amended to read:

291.13 Subd. 2. **Eligibility.** A district that offers a concurrent enrollment course according
291.14 to an agreement under section 124D.09, subdivision 10, is eligible to receive aid for the
291.15 costs of providing postsecondary courses at the high school. ~~Beginning in fiscal year 2011,~~
291.16 Districts only are eligible for aid if the college or university concurrent enrollment courses
291.17 offered by the district are accredited by the National Alliance of Concurrent Enrollment
291.18 Partnership, in the process of being accredited, or are shown by clear evidence to be of
291.19 comparable standard to accredited courses, or are technical courses within a recognized
291.20 career and technical education program of study approved by the commissioner of
291.21 education and the chancellor of the Minnesota State Colleges and Universities.

291.22 Sec. 22. Minnesota Statutes 2014, section 124D.091, subdivision 3, is amended to read:

291.23 Subd. 3. **Aid; tuition reimbursement.** (a) An eligible district shall receive ~~\$150~~
291.24 \$300 per pupil enrolled in a concurrent enrollment course. The money must be used
291.25 to defray the cost of delivering the course at the high school. The commissioner shall
291.26 establish application procedures and deadlines for receipt of aid payments.

291.27 (b) Notwithstanding paragraph (a), by mutual agreement of the school board and the
291.28 exclusive representative of the teachers, up to 25 percent of the aid under this subdivision
291.29 may be reserved to offset tuition paid to an accredited higher education institution for
291.30 coursework necessary for secondary teachers to meet a postsecondary institution's
291.31 accrediting body's requirements to teach concurrent enrollment courses.

291.32 (c) A teacher receiving tuition reimbursement under this subdivision must repay the
291.33 school district if the teacher does not complete the training. If 50 percent or more of a
291.34 teacher's tuition is reimbursed by the school district, the teacher must continue to teach in

292.1 the school district for two years after receiving an endorsement under section 122A.09,
292.2 subdivision 12, or repay the district for the tuition reimbursement.

292.3 Sec. 23. Minnesota Statutes 2015 Supplement, section 124D.231, subdivision 2,
292.4 is amended to read:

292.5 Subd. 2. **Full-service community school program.** (a) The commissioner shall
292.6 provide funding to eligible school sites to plan, implement, and improve full-service
292.7 community schools. Eligible school sites must meet one of the following criteria:

292.8 (1) the school is on a development plan for continuous improvement under section
292.9 120B.35, subdivision 2; or

292.10 (2) the school is in a district that has an achievement and integration plan approved
292.11 by the commissioner of education under sections 124D.861 and 124D.862.

292.12 (b) An eligible school site may receive up to ~~\$100,000~~ \$150,000 annually. School
292.13 sites receiving funding under this section shall hire or contract with a partner agency to
292.14 hire a site coordinator to coordinate services at each covered school site.

292.15 (c) Of grants awarded, implementation funding of up to \$20,000 must be available
292.16 for up to one year for planning for school sites. At the end of this period, the school must
292.17 submit a full-service community school plan, pursuant to paragraph (g). If the site decides
292.18 not to use planning funds, the plan must be submitted with the application.

292.19 (d) The commissioner shall ~~dispense the funds to~~ consider additional school factors
292.20 when dispensing funds including: schools with significant populations of students
292.21 receiving free or reduced-price lunches. ~~Schools with~~ significant homeless and highly
292.22 mobile students shall also be a priority. ~~The commissioner must also dispense the funds in a~~
292.23 ~~manner to ensure~~ rates; and equity among urban, suburban, and greater Minnesota schools.

292.24 (e) A school site must establish a school leadership team responsible for developing
292.25 school-specific programming goals, assessing program needs, and overseeing the process
292.26 of implementing expanded programming at each covered site. The school leadership team
292.27 shall have between 12 to 15 members and shall meet the following requirements:

292.28 (1) at least 30 percent of the members are parents and 30 percent of the members
292.29 are teachers at the school site and must include the school principal and representatives
292.30 from partner agencies; and

292.31 (2) the school leadership team must be responsible for overseeing the baseline
292.32 analyses under paragraph (f). A school leadership team must have ongoing responsibility
292.33 for monitoring the development and implementation of full-service community school
292.34 operations and programming at the school site and shall issue recommendations to schools

293.1 on a regular basis and summarized in an annual report. These reports shall also be made
293.2 available to the public at the school site and on school and district Web sites.

293.3 (f) School sites must complete a baseline analysis prior to beginning programming
293.4 as a full-service community school. The analysis shall include:

293.5 (1) a baseline analysis of needs at the school site, led by the school leadership team,
293.6 which shall include the following elements:

293.7 (i) identification of challenges facing the school;

293.8 (ii) analysis of the student body, including:

293.9 (A) number and percentage of students with disabilities and needs of these students;

293.10 (B) number and percentage of students who are English learners and the needs of
293.11 these students;

293.12 (C) number of students who are homeless or highly mobile; and

293.13 (D) number and percentage of students receiving free or reduced-price lunch and the
293.14 needs of these students;

293.15 (iii) analysis of enrollment and retention rates for students with disabilities,
293.16 English learners, homeless and highly mobile students, and students receiving free or
293.17 reduced-price lunch;

293.18 (iv) analysis of suspension and expulsion data, including the justification for such
293.19 disciplinary actions and the degree to which particular populations, including, but not
293.20 limited to, students of color, students with disabilities, students who are English learners,
293.21 and students receiving free or reduced-price lunch are represented among students subject
293.22 to such actions;

293.23 (v) analysis of school achievement data disaggregated by major demographic
293.24 categories, including, but not limited to, race, ethnicity, English learner status, disability
293.25 status, and free or reduced-price lunch status;

293.26 (vi) analysis of current parent engagement strategies and their success; and

293.27 (vii) evaluation of the need for and availability of wraparound services, including,
293.28 but not limited to:

293.29 (A) mechanisms for meeting students' social, emotional, and physical health needs,
293.30 which may include coordination of existing services as well as the development of new
293.31 services based on student needs; and

293.32 (B) strategies to create a safe and secure school environment and improve school
293.33 climate and discipline, such as implementing a system of positive behavioral supports, and
293.34 taking additional steps to eliminate bullying;

293.35 (2) a baseline analysis of community assets and a strategic plan for utilizing
293.36 and aligning identified assets. This analysis should include, but is not limited to, a

294.1 documentation of individuals in the community, faith-based organizations, community and
294.2 neighborhood associations, colleges, hospitals, libraries, businesses, and social service
294.3 agencies who may be able to provide support and resources; and
294.4 (3) a baseline analysis of needs in the community surrounding the school, led by
294.5 the school leadership team, including, but not limited to:
294.6 (i) the need for high-quality, full-day child care and early childhood education
294.7 programs;
294.8 (ii) the need for physical and mental health care services for children and adults; and
294.9 (iii) the need for job training and other adult education programming.
294.10 (g) Each school site receiving funding under this section must establish at least two
294.11 of the following types of programming:
294.12 (1) early childhood:
294.13 (i) early childhood education; and
294.14 (ii) child care services;
294.15 (2) academic:
294.16 (i) academic support and enrichment activities, including expanded learning time;
294.17 (ii) summer or after-school enrichment and learning experiences;
294.18 (iii) job training, internship opportunities, and career counseling services;
294.19 (iv) programs that provide assistance to students who have been truant, suspended,
294.20 or expelled; and
294.21 (v) specialized instructional support services;
294.22 (3) parental involvement:
294.23 (i) programs that promote parental involvement and family literacy, including the
294.24 Reading First and Early Reading First programs authorized under part B of title I of the
294.25 Elementary and Secondary Education Act of 1965, United States Code, title 20, section
294.26 6361, et seq.;
294.27 (ii) parent leadership development activities; and
294.28 (iii) parenting education activities;
294.29 (4) mental and physical health:
294.30 (i) mentoring and other youth development programs, including peer mentoring and
294.31 conflict mediation;
294.32 (ii) juvenile crime prevention and rehabilitation programs;
294.33 (iii) home visitation services by teachers and other professionals;
294.34 (iv) developmentally appropriate physical education;
294.35 (v) nutrition services;
294.36 (vi) primary health and dental care; and

- 295.1 (vii) mental health counseling services;
- 295.2 (5) community involvement:
- 295.3 (i) service and service-learning opportunities;
- 295.4 (ii) adult education, including instruction in English as a second language; and
- 295.5 (iii) homeless prevention services;
- 295.6 (6) positive discipline practices; and
- 295.7 (7) other programming designed to meet school and community needs identified in
- 295.8 the baseline analysis and reflected in the full-service community school plan.
- 295.9 (h) The school leadership team at each school site must develop a full-service
- 295.10 community school plan detailing the steps the school leadership team will take, including:
- 295.11 (1) timely establishment and consistent operation of the school leadership team;
- 295.12 (2) maintenance of attendance records in all programming components;
- 295.13 (3) maintenance of measurable data showing annual participation and the impact
- 295.14 of programming on the participating children and adults;
- 295.15 (4) documentation of meaningful and sustained collaboration between the school
- 295.16 and community stakeholders, including local governmental units, civic engagement
- 295.17 organizations, businesses, and social service providers;
- 295.18 (5) establishment and maintenance of partnerships with institutions, such as
- 295.19 universities, hospitals, museums, or not-for-profit community organizations to further the
- 295.20 development and implementation of community school programming;
- 295.21 (6) ensuring compliance with the district nondiscrimination policy; and
- 295.22 (7) plan for school leadership team development.

295.23 Sec. 24. Minnesota Statutes 2014, section 124D.59, is amended by adding a

295.24 subdivision to read:

295.25 Subd. 9. **English learner data.** When data on English learners are reported for

295.26 purposes of educational accountability, English learner data must include all pupils

295.27 enrolled in a Minnesota public school course or program who are currently or were

295.28 previously counted as an English learner under this section. Reported data must be

295.29 disaggregated by currently counted and previously counted English learners.

295.30 **EFFECTIVE DATE.** This section is effective for the 2017-2018 school year and

295.31 later.

295.32 Sec. 25. **[125B.27] STUDENT-USER PRIVACY IN EDUCATION RIGHTS.**

295.33 Subdivision 1. **Definitions.** (a) The definitions in this subdivision and section 13.32,

295.34 subdivision 1, apply to this section.

296.1 (b) "Online educational service" means a Web site, online service or application, or
296.2 mobile application that a student or the student's parent or legal guardian can access via
296.3 the Internet for school purposes. Online educational service includes a cloud computing
296.4 service.

296.5 (c) "Operator" means, to the extent it is operating in this capacity, a person who
296.6 operates an online educational service with actual knowledge that it is used primarily for
296.7 school purposes and was designed and marketed for these purposes. Operator includes
296.8 a vendor.

296.9 (d) "Protected information" means personally identifiable information or materials
296.10 or information that is linked to personally identifiable information or materials, in any
296.11 media or format that is not publicly available, and:

296.12 (1) is created or provided by a student or the student's parent or legal guardian to an
296.13 operator in the course of the use of the operator's site, service, or application for school
296.14 purposes;

296.15 (2) is created or provided by an employee or agent of the school to an operator in the
296.16 course of the use of the operator's site, service, or application for school purposes; or

296.17 (3) is gathered by an operator through the operation of an online educational service
296.18 and personally identifies a student, including but not limited to information in the student's
296.19 educational record or e-mail, first and last name, home address, telephone number, e-mail
296.20 address, or other information that allows physical or online contact, discipline records,
296.21 test results, special education data, juvenile records, grades, evaluations, criminal records,
296.22 health records, Social Security number, biometric information, disabilities, socioeconomic
296.23 information, food purchases, political affiliations, religious information, text messages,
296.24 documents, student identifiers, search activity, photos, voice recordings, or geolocation
296.25 information.

296.26 (e) "School purposes" means purposes that (1) are directed by or customarily take
296.27 place at the direction of the school, teacher, or school district or aid in the administration
296.28 of school activities, including instruction in the classroom or at home, administrative
296.29 activities, and collaboration between students, school personnel, or parents or legal
296.30 guardians, or (2) are for the use and benefit of the school.

296.31 (f) "Student" means a student in prekindergarten through grade 12.

296.32 (g) "Vendor" means a person who enters into a contract with a school to provide an
296.33 online educational service.

296.34 (h) "Targeted advertising" means presenting advertisements to a student where
296.35 the advertisement is selected based on information obtained or inferred over time from
296.36 that student's online behavior, usage of applications, or covered information. It does not

297.1 include advertising to a student at an online location based upon that student's current
297.2 visit to that location, or in response to that student's request for information or feedback,
297.3 without the retention of that student's online activities or requests over time for the
297.4 purpose of targeting subsequent ads.

297.5 **Subd. 2. Prohibited activities; targeted advertising; creation of student profiles;**
297.6 **sale or unauthorized disclosure of information.** (a) An operator must not engage in
297.7 any of the following activities:

297.8 (1)(i) targeted advertising on the operator's online educational service; or
297.9 (ii) targeted advertising on any other site, service, or application when the targeting
297.10 of the advertising is based upon information, including protected information and unique
297.11 identifiers, that the operator has acquired or created because of the use of that operator's
297.12 online educational service;

297.13 (2) gather, use, or share information, including persistent unique identifiers, acquired
297.14 or created by the operator's online educational service, to create a profile about a student,
297.15 except in furtherance of school purposes. "Create a profile" does not include the collection
297.16 and retention of account information that remains under the control of the student, the
297.17 student's parent or guardian, or kindergarten through grade 12 school;

297.18 (3) sell a student's information, including protected information. This prohibition
297.19 does not apply to the purchase, merger, or other type of acquisition of an operator by
297.20 another person, provided that the operator or successor continues to be subject to this
297.21 section with respect to previously acquired student information or to national assessment
297.22 providers if the provider secures the express written consent of the parent or student, given
297.23 in response to clear and conspicuous notice, solely to provide access to employment,
297.24 educational scholarships or financial aid, or postsecondary educational opportunities; or

297.25 (4) disclose protected information, unless the disclosure:

297.26 (i) is made in furtherance of the educational purpose of the site, service, or
297.27 application, provided the recipient of the protected information must not further disclose
297.28 the information unless done to allow or improve operability and functionality of the
297.29 operator's online educational service;

297.30 (ii) is legally required to comply with subdivision 3;

297.31 (iii) is made to ensure legal and regulatory compliance, to respond to or participate
297.32 in judicial process, or to protect the safety of users or others or the security or integrity
297.33 of the site;

297.34 (iv) is for a school, educational, or employment purpose requested by the student
297.35 or the student's parent or guardian, provided that the information is not used or further
297.36 disclosed for any other purposes; or

298.1 (v) is made pursuant to a contract between the operator and a service provider. A
298.2 contract must prohibit the service provider from using protected information for any
298.3 purpose other than providing the contracted service to, or on behalf of, the operator;
298.4 prohibit the service provider from disclosing protected information provided by the
298.5 operator to third parties; and require the service provider to implement and maintain
298.6 reasonable security procedures and practices as provided in subdivision 3.

298.7 (b) This subdivision does not prohibit the operator's use of information for
298.8 maintaining, developing, supporting, improving, or diagnosing the operator's site, service,
298.9 or application.

298.10 Subd. 3. **Security procedures and practices.** An operator shall:

298.11 (1) implement and maintain reasonable security procedures and practices appropriate
298.12 to the nature of the protected information designed to protect that information from
298.13 unauthorized access, destruction, use, modification, or disclosure; and

298.14 (2) delete a student's protected information within a reasonable period of time
298.15 and in any case within 60 days if the school requests deletion of data under the control
298.16 of the school.

298.17 Subd. 4. **Permissible disclosures.** Notwithstanding subdivision 2, paragraph (a),
298.18 clause (4), an operator may use or disclose protected information of a student under the
298.19 following circumstances:

298.20 (1) if other provisions of federal or state law require the operator to disclose the
298.21 information and the operator complies with the requirements of federal or state law in
298.22 protecting and disclosing that information;

298.23 (2) as long as no covered information is used for advertising or to create a profile on
298.24 the student for purposes other than educational purposes, for legitimate research purposes:

298.25 (i) as required by state or federal law and subject to the restrictions under applicable
298.26 law; or

298.27 (ii) as allowed by state or federal law and in furtherance of educational purposes or
298.28 postsecondary educational purposes; and

298.29 (3) to a state or local educational agency, including schools and school districts, for
298.30 school purposes as permitted by state or federal law.

298.31 Subd. 5. **Use of information by operator.** This section does not prohibit an
298.32 operator from doing any of the following:

298.33 (1) using protected information within the operator's site, service, or application or
298.34 other sites, services, or applications owned by the operator to improve educational products;

298.35 (2) using protected information that is not associated with an identified student to
298.36 demonstrate the effectiveness of the operator's products or services, including marketing;

299.1 (3) sharing aggregate information that does not directly, indirectly, or in combination
299.2 with other information identify a student for the development and improvement of
299.3 educational sites, services, or applications;

299.4 (4) using recommendation engines to recommend to a student either of the following:

299.5 (i) additional content relating to an educational, other learning, or employment
299.6 opportunity purpose within an online site, service, or application if the recommendation is
299.7 not determined in whole or in part by payment or other consideration from a third party; or

299.8 (ii) additional services relating to an educational, other learning, or employment
299.9 opportunity purpose within an online site, service, or application if the recommendation is
299.10 not determined in whole or in part by payment or other consideration from a third party; or

299.11 (5) responding to a student's request for information or for feedback without the
299.12 information or response being determined in whole or in part by payment or other
299.13 consideration from a third party.

299.14 Subd. 6. **Certain activities not affected.** (a) This section does not limit the
299.15 authority of a law enforcement agency to obtain information from an operator as
299.16 authorized by law or pursuant to a court order.

299.17 (b) This section does not limit the ability of an operator to use student information,
299.18 including protected information, for adaptive learning or customized student learning
299.19 purposes.

299.20 (c) This section does not apply to general audience Web sites, general audience
299.21 online services, general audience online applications, or general audience mobile
299.22 applications, even if log-in credentials created for an operator's online educational service
299.23 may be used to access those general audience Web sites, services, or applications.

299.24 (d) This section does not limit Internet service providers from providing Internet
299.25 connectivity to schools or students and their families.

299.26 (e) This section does not prohibit an operator of a Web site, online service, online
299.27 application, or mobile application from the general marketing of educational products to
299.28 parents or legal guardians so long as the marketing is not based on the use of protected
299.29 information obtained by the operator through the provision of services governed by this
299.30 section.

299.31 (f) This section does not impose a duty upon a provider of an electronic store, gateway,
299.32 marketplace, or other means of purchasing or downloading software or applications to
299.33 review or enforce compliance with this section on those applications or software.

299.34 (g) This section does not impose a duty on a provider of an interactive computer
299.35 service, as defined in United States Code, title 47, section 230, to review or enforce
299.36 compliance with this section by third-party content providers.

300.1 (h) This section does not impede the ability of students to download, transfer, export,
300.2 or otherwise save or maintain their own data or documents.

300.3 Sec. 26. **[136A.1275] GRANTS TO STUDENT TEACHERS IN SHORTAGE**
300.4 **AREAS.**

300.5 Subdivision 1. **Establishment.** The commissioner of the Office of Higher Education
300.6 must establish a grant program for student teachers.

300.7 Subd. 2. **Eligibility.** In order to receive a grant, the applicant must:

300.8 (1) be enrolled in a Minnesota teacher preparation program at an eligible institution
300.9 that would enable the applicant, upon graduation, to teach in a Minnesota school district
300.10 in a shortage area. "Shortage area" has the same meaning given in section 122A.18,
300.11 subdivision 4a;

300.12 (2) be a teacher candidate completing a student-teacher requirement by teaching in a
300.13 shortage area; and

300.14 (3) demonstrate financial need in the form and manner prescribed by the
300.15 commissioner of the Office of Higher Education.

300.16 Subd. 3. **Administration.** The office must determine the time and manner of
300.17 applications. The office must determine the stipend amount based on the money available
300.18 and the number of eligible applicants each academic year.

300.19 Sec. 27. Laws 2012, chapter 263, section 1, as amended by Laws 2014, chapter 312,
300.20 article 15, section 24, is amended to read:

300.21 Section 1. **INNOVATIVE DELIVERY OF EDUCATION SERVICES AND**
300.22 **SHARING OF SCHOOL OR DISTRICT RESOURCES; PILOT PROJECT.**

300.23 Subdivision 1. **Establishment; requirements for participation.** (a) A pilot project
300.24 is established to improve student ~~and~~, career and college readiness, and school outcomes
300.25 by allowing ~~groups of one or more school districts or charter schools~~ to work together or
300.26 with postsecondary institutions or employers to:

300.27 (1) provide innovative education programs and activities that are consistent with
300.28 Minnesota Statutes, section 124D.52, subdivision 9, governing the standard adult high
300.29 school diploma, or with Minnesota Statutes, section 124D.085, governing experiential and
300.30 applied learning opportunities;

300.31 (2) conduct research with rigorous methodology on these innovative education
300.32 programs and activities that may include career and college readiness assessments and
300.33 interim assessments that comply with the federal Every Student Succeeds Act; and

301.1 (3) share district or school and other resources, with the goal of improving students'
301.2 career and college readiness as defined under Minnesota Statutes, section 120B.30,
301.3 subdivision 1, paragraph (p), and consistent with the requirements of the world's best
301.4 workforce under Minnesota Statutes, section 120B.11.

301.5 The pilot project may last until June 30, ~~2018~~ 2021, or for up to five years, whichever is less
301.6 earlier, except that innovation partnerships formed during the period of the pilot project
301.7 may continue past June 30, ~~2018~~ 2021, with the agreement of the partnership members.

301.8 (b) To participate in this pilot project to improve student ~~and~~ school, and career and
301.9 college readiness outcomes, a group of two or more school districts or charter schools, one
301.10 or more school districts and charter schools, one or more school districts or charter schools
301.11 and postsecondary institutions, or one or more school districts or charter schools and
301.12 employers must collaborate with school staff and, postsecondary faculty, or employees,
301.13 as appropriate, to form a partnership, prepare a plan, and complete an application to
301.14 participate in a pilot project. A school district partner must receive formal school board
301.15 approval to form a partnership and a charter school partner must receive formal approval
301.16 from its board of directors to form a partnership. The partnership must develop a plan to
301.17 provide challenging programmatic options for students, create professional development
301.18 opportunities for educators, increase student engagement and connection and challenging
301.19 learning opportunities for students, or demonstrate efficiencies in delivering financial and
301.20 other services. The plan evaluations must provide for a rigorous evaluation premised on
301.21 returns on investment, program effectiveness, or beat-the-odds analysis and may offer
301.22 career and college readiness assessments or other interim assessments.

301.23 (c) An interested partnership may structure its application and plan to:

301.24 (1) reduce duplicative assessments that educators and psychometricians identify as
301.25 less useful for informing instruction or identifying and diagnosing areas where students
301.26 require targeted interventions under Minnesota Statutes, section 120B.30, subdivision 1,
301.27 paragraphs (c), clause (2), and (d);

301.28 (2) establish expectations for career and college readiness under Minnesota Statutes,
301.29 section 120B.30, subdivision 1, paragraphs (d) and (g);

301.30 (3) use fully adaptive, on and off-grade assessments under Minnesota Statutes,
301.31 section 120B.30, subdivision 1;

301.32 (4) provide students with predictive information to enable them to successfully
301.33 explore and realize their educational, career, and college interests, aptitudes, and
301.34 aspirations under Minnesota Statutes, section 120B.125;

302.1 (5) use career and college readiness assessments or other interim or formative
302.2 assessments highly correlated with the Minnesota comprehensive assessments in reading
302.3 and math;

302.4 (6) notwithstanding Minnesota Statutes, section 120B.024, allow a student to use a
302.5 course in applied mathematics or STEM as an equivalent to algebra II; or

302.6 (7) include student assessment data under this section in the district's annual world's
302.7 best workforce report, consistent with Minnesota Statutes, section 120B.11, subdivisions 5
302.8 and 9, paragraph (a).

302.9 Notwithstanding Minnesota Statutes, section 120B.30, or any other law to the
302.10 contrary, a participating school district or charter school may use alternative assessments
302.11 under this paragraph in place of the Minnesota comprehensive assessments administered
302.12 in high school. A participating school district or charter school, whose approved program
302.13 under this section lasts longer than four years for a high school student, may count those
302.14 students in the four-year graduation rate upon completion of all state and local graduation
302.15 requirements even though the student continues in an innovative postsecondary program.

302.16 Notwithstanding other law to the contrary, a participating school district or charter school
302.17 may take attendance only once per school day so long as the district or charter school
302.18 ensures that students in attendance are not otherwise identified as truant. The plan must
302.19 establish include:

302.20 (1) collaborative educational goals and objectives;

302.21 (2) strategies and processes to implement those goals and objectives, including a
302.22 budget process with periodic expenditure reviews;

302.23 (3) valid and reliable measures to evaluate progress in realizing the goals and
302.24 objectives;

302.25 (4) an implementation timeline; and

302.26 (5) other applicable conditions, regulations, responsibilities, duties, provisions, fee
302.27 schedules, and legal considerations needed to fully implement the plan.

302.28 A partnership may invite additional districts eligible partners to join the partnership
302.29 during the pilot project term after notifying and must notify the commissioner when
302.30 additional partners intend to join the partnership. The commissioner may reject the
302.31 addition of an eligible partner if the addition causes the state to become out of compliance
302.32 with federal requirements.

302.33 (e) (d) A school district member or a charter school member of an interested
302.34 partnership of interested districts must apply by February 1 of any year submit an
302.35 application to the education commissioner in the form and manner the commissioner
302.36 determines, consistent with the requirements of this section. The application must contain

303.1 the formal approval adopted by the school board in each district or by the charter school
303.2 board of directors to participate in the plan.

303.3 ~~(d)~~ (e) Notwithstanding other law to the contrary, a participating school district
303.4 under this section continues to: receive revenue and maintain its taxation authority; be
303.5 organized and governed by an elected school board with general powers under Minnesota
303.6 Statutes, section 123B.02; and be subject to employment agreements under Minnesota
303.7 Statutes, chapter 122A, and Minnesota Statutes, section 179A.20; and district employees
303.8 continue to remain employees of the employing school district.

303.9 (f) Participating school district and charter schools must submit a biennial evaluation
303.10 by February 1 in each odd-numbered year to the chairs and the ranking minority members
303.11 of the legislative committees with primary jurisdiction over kindergarten through grade
303.12 12 education and the education commissioner that includes longitudinal data under
303.13 Minnesota Statutes, section 127A.70, subdivision 2, paragraph (b), governing SLEDS,
303.14 and is premised on return on investment, program effectiveness, or beat-the-odds analysis
303.15 in the context of students' career and college readiness.

303.16 Subd. 2. **Commissioner's role.** Interested ~~groups of school districts~~ partnerships
303.17 must submit a completed application to the commissioner by March 1 of any year in the
303.18 form and manner determined by the commissioner, consistent with the requirements of this
303.19 section. For 2016 only, the school district member or charter school member must submit
303.20 an application by July 1. The education commissioner must convene an advisory panel
303.21 composed of a teacher appointed by Education Minnesota, a school principal appointed
303.22 by the Minnesota Association of Secondary School Principals, a school board member
303.23 appointed by the Minnesota School Boards Association, a researcher appointed by the
303.24 commissioner of the Office of Higher Education, a researcher appointed by the University
303.25 of Minnesota Educational Psychology Department, and a school superintendent appointed
303.26 by the Minnesota Association of School Administrators to advise the commissioner on
303.27 applicants' qualifications to participate in this pilot project. The commissioner ~~may~~
303.28 select, for the period encompassing the 2016-2017 through 2020-2021 school years, must
303.29 authorize up to six eight qualified applicants ~~under subdivision 1~~ by April 1 of any year to
303.30 participate in this pilot project, ensuring seeking an equitable geographical distribution of
303.31 project participants to the extent practicable. The commissioner may approve no more
303.32 than two partnerships applying to conduct research using alternative measures in place of
303.33 the Minnesota comprehensive assessments under subdivision 1, paragraph (c), clause (7),
303.34 and those partnerships may include up to three school districts or charter schools. The
303.35 commissioner must ~~select~~ authorize only those applicants that fully comply with the
303.36 requirements in subdivision 1. The commissioner must terminate a project participant that

304.1 fails to effectively implement the goals and objectives contained in its application and
304.2 according to its stated timeline.

304.3 Subd. 3. **Pilot project evaluation.** Participating school districts and charter
304.4 schools must submit pilot project data to the education commissioner in the form and
304.5 manner determined by the commissioner and the legislature, consistent with this section.
304.6 Consistent with Minnesota Statutes, section 13.05, on the duties of state agencies regarding
304.7 the use and dissemination of data on individuals, the education commissioner must analyze
304.8 the data on participating districts' progress and on participating charter schools' progress
304.9 in realizing their educational goals and objectives to work together in providing provide
304.10 innovative education programs and activities and sharing share resources to improve
304.11 students' career and college readiness. The commissioner must include the analysis of
304.12 best practices in a report to the legislative committees with jurisdiction over kindergarten
304.13 through grade 12 education finance and policy on the efficacy of this pilot project. The
304.14 commissioner shall submit an interim project report by ~~February 1, 2016~~ March 30, 2019,
304.15 and must submit a final report to the legislature by February 1, ~~2019,~~ recommending
304.16 whether or not to continue or expand the pilot project 2022.

304.17 **EFFECTIVE DATE.** This section is effective the day following final enactment
304.18 and applies to those applications submitted to the commissioner after that date. Districts
304.19 already approved for an innovation zone pilot project may continue to operate under Laws
304.20 2012, chapter 263, section 1, as amended by Laws 2014, chapter 312, article 15, section 24.

304.21 Sec. 28. Laws 2012, chapter 263, section 2, is amended to read:

304.22 Sec. 2. **APPROPRIATION.**

304.23 \$25,000 is appropriated in fiscal year 2013 from the general fund to the commissioner
304.24 of education for the review of applicants, selection of participants, and evaluation of
304.25 the pilot projects authorized in section 1. The base for the Department of Education is
304.26 increased by \$25,000 for fiscal year 2014 through fiscal year ~~2018~~ 2021.

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

304.28 Sec. 29. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision
304.29 2, is amended to read:

304.30 Subd. 2. **Alternative compensation.** For alternative teacher compensation aid
304.31 under Minnesota Statutes, section 122A.415, subdivision 4:

305.1 ~~78,331,000~~
 305.2 \$ 78,656,000 2016
 305.3 ~~87,147,000~~
 305.4 \$ 98,159,000 2017

305.5 The 2016 appropriation includes \$7,766,000 for 2015 and ~~\$70,565,000~~ \$70,890,000
 305.6 for 2016.

305.7 The 2017 appropriation includes ~~\$7,840,000~~ \$7,876,000 for 2016 and ~~\$79,307,000~~
 305.8 \$90,283,000 for 2017.

305.9 Sec. 30. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision
 305.10 3, is amended to read:

305.11 Subd. 3. **Achievement and integration aid.** For achievement and integration aid
 305.12 under Minnesota Statutes, section 124D.862:

305.13 ~~65,539,000~~
 305.14 \$ 65,439,000 2016
 305.15 ~~68,745,000~~
 305.16 \$ 69,372,000 2017

305.17 The 2016 appropriation includes \$6,382,000 for 2015 and ~~\$59,157,000~~ \$59,057,000
 305.18 for 2016.

305.19 The 2017 appropriation includes ~~\$6,573,000~~ \$6,561,000 for 2016 and ~~\$62,172,000~~
 305.20 \$62,811,000 for 2017.

305.21 Sec. 31. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision
 305.22 6, is amended to read:

305.23 Subd. 6. **Reading Corps.** For grants to ServeMinnesota for the Minnesota Reading
 305.24 Corps under Minnesota Statutes, section 124D.42, subdivision 8:

305.25 \$ 6,125,000 2016
 305.26 ~~6,125,000~~
 305.27 \$ 9,125,000 2017

305.28 Any balance in the first year does not cancel but is available in the second year. The
 305.29 base appropriation for fiscal year 2018 and later years is \$5,625,000.

305.30 Sec. 32. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision
 305.31 9, is amended to read:

305.32 Subd. 9. **Concurrent enrollment program.** For concurrent enrollment programs
 305.33 under Minnesota Statutes, section 124D.091:

306.1 \$ \$4,000,000 2016
 306.2 ~~\$4,000,000~~
 306.3 \$ 6,250,000 2017

306.4 If the appropriation is insufficient, the commissioner must proportionately reduce
 306.5 the aid payment to each district.

306.6 Any balance in the first year does not cancel but is available in the second year. The
 306.7 base for this appropriation in fiscal year 2018 is \$5,000,000.

306.8 Sec. 33. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision
 306.9 12, is amended to read:

306.10 Subd. 12. **Collaborative urban educator.** For the collaborative urban educator
 306.11 grant program:

306.12 \$ 780,000 2016
 306.13 ~~780,000~~
 306.14 \$ 1,090,000 2017

306.15 Grants shall be awarded in equal amounts: ~~\$195,000~~ \$272,500 each year is for the
 306.16 Southeast Asian teacher program at Concordia University, St. Paul; ~~\$195,000~~ \$272,500
 306.17 each year is for the collaborative urban educator program at the University of St. Thomas;
 306.18 ~~\$195,000~~ \$272,500 each year is for the Center for Excellence in Urban Teaching at
 306.19 Hamline University; and ~~\$195,00~~ \$272,500 each year is for the East Africa Student to
 306.20 Teacher program at Augsburg College.

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

306.22 Each institution shall prepare for the legislature, by January 15 of each year, a
 306.23 detailed report regarding the funds used. The report must include the number of teachers
 306.24 prepared as well as the diversity for each cohort of teachers produced. The report must
 306.25 also include the graduation rate for each cohort of teacher candidates, the placement rate
 306.26 for each graduating cohort of teacher candidates, and the retention rate for each graduating
 306.27 cohort of teacher candidates, among other program outcomes.

306.28 Sec. 34. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision
 306.29 15, is amended to read:

306.30 Subd. 15. **Museums and Education Centers.** For grants to museums and education
 306.31 centers:

306.32 \$ 351,000 2016
 306.33 ~~351,000~~
 306.34 \$ 701,000 2017

307.1 (a) ~~\$260,000 each year is in fiscal year 2016 and \$560,000 in fiscal year 2017~~ are for
307.2 the Minnesota Children's Museum. The base amount in fiscal year 2018 is \$260,000.

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

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

307.5 (d) \$50,000 in fiscal year 2017 and later is for the Headwaters Science Center for
307.6 hands-on science, technology, engineering, and math (STEM) education.

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

307.8 The base in fiscal year 2018 is \$401,000.

307.9 Sec. 35. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision
307.10 19, is amended to read:

307.11 Subd. 19. **Full-service community schools.** For full-service community schools
307.12 under Minnesota Statutes, section 124D.231:

307.13 \$ 250,000 2016

307.14 ~~250,000~~

307.15 \$ 2,450,000 2017

307.16 This is a onetime appropriation. Up to \$100,000 each year is for administration of this
307.17 program. Any balance in the first year does not cancel but is available in the second year.

307.18 Sec. 36. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision
307.19 21, is amended to read:

307.20 Subd. 21. **American Indian teacher preparation grants.** For joint grants to assist
307.21 American Indian people to become teachers under Minnesota Statutes, section 122A.63:

307.22 \$ 190,000 2016

307.23 ~~190,000~~

307.24 \$ 1,250,000 2017

307.25 Sec. 37. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision
307.26 24, is amended to read:

307.27 Subd. 24. **Race 2 Reduce.** For grants to support expanded Race 2 Reduce water
307.28 conservation programming in Minnesota schools:

307.29 \$ 81,000 2016

307.30 ~~69,000~~

307.31 \$ 219,000 2017

307.32 In the first year, \$28,000 is for H2O for Life; \$38,000 is for Independent School
307.33 District No. 624, White Bear Lake; and \$15,000 is for Independent School District No.
307.34 832, Mahtomedi. In the second year, ~~\$32,000~~ \$102,000 is for H2O for Life; ~~\$22,000~~

308.1 \$70,000 is for Independent School District No. 624, White Bear Lake; and ~~\$15,000~~
 308.2 \$47,000 is for Independent School District No. 832, Mahtomedi.

308.3 Any balance in the first year does not cancel but is available in the second year. ~~The~~
 308.4 ~~base appropriation for fiscal year 2018 and later is \$0.~~

308.5 Sec. 38. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision
 308.6 26, is amended to read:

308.7 Subd. 26. **Education partnership pilots.** (a) For education partnership pilot grants:

308.8 \$ 501,000 2016

308.9 ~~501,000~~

308.10 \$ 531,000 2017

308.11 (b) Of this amount, \$167,000 in fiscal year 2016 and \$177,000 in each fiscal year
 308.12 2017 is for the Northfield Healthy Community Initiative for a pilot site in Northfield;
 308.13 \$167,000 in fiscal year 2016 and \$177,000 in each fiscal year 2017 is for the Jones Family
 308.14 Foundation for a pilot site in Red Wing; and \$167,000 in fiscal year 2016 and \$177,000 in
 308.15 each fiscal year 2017 is for Independent School District No. 742, St. Cloud, for a pilot
 308.16 site in St. Cloud. Each partnership pilot program shall support community collaborations
 308.17 focused on academic achievement and youth development, use a comprehensive and
 308.18 data-driven approach to increase student success, and measure outcomes, such as
 308.19 kindergarten readiness, reading proficiency at third grade, high school graduation, and
 308.20 college and career readiness. By February 15, 2016, and by February 15 of every
 308.21 subsequent even-numbered year, each partnership pilot grant recipient shall submit to
 308.22 the chairs and ranking minority members of the legislative committees with primary
 308.23 jurisdiction over kindergarten through grade 12 education a report describing the activities
 308.24 funded by the grant, changes in outcome measures attributable to the grant-funded
 308.25 activities, and the recipient's program plan for the following year.

308.26 ~~This is a onetime appropriation.~~

308.27 (c) The base for this program is \$501,000 for fiscal year 2018 and later. Annual
 308.28 grants of \$167,000 shall be awarded to each grant recipient named in paragraph (b).

308.29 (d) Any balance from the first year may carry forward into the second year.

308.30 Sec. 39. Laws 2015, First Special Session chapter 3, article 3, section 15, subdivision
 308.31 3, is amended to read:

308.32 Subd. 3. ~~ACT test~~ College entrance examination reimbursement. To reimburse
 308.33 districts for students who qualify under Minnesota Statutes, section 120B.30, subdivision
 308.34 1, paragraph (e), for onetime payment of their ~~ACT~~ college entrance examination fee:

309.1 \$ 3,011,000 2016

309.2 \$ 3,011,000 2017

309.3 The Department of Education must reimburse districts for their onetime payments
309.4 on behalf of students. Any balance in the first year does not cancel but is available in the
309.5 second year. This appropriation is available until October 1, 2017. For examinations taken
309.6 before July 1, 2016, the department may reimburse districts only for ACT examination fees.

309.7 Sec. 40. Laws 2015, First Special Session chapter 3, article 10, section 3, subdivision
309.8 6, is amended to read:

309.9 Subd. 6. **Northside Achievement Zone.** For a grant to the Northside Achievement
309.10 Zone:

309.11 \$ 1,200,000 2016

309.12 ~~1,200,000~~

309.13 \$ 1,210,000 2017

309.14 Funds appropriated in this section are to reduce multigenerational poverty and the
309.15 educational achievement gap through increased enrollment of families within the zone,
309.16 and may be used for Northside Achievement Zone programming and services consistent
309.17 with federal Promise Neighborhood program agreements and requirements.

309.18 The base for this program is \$1,200,000 for fiscal year 2018 and later.

309.19 Sec. 41. Laws 2015, First Special Session chapter 3, article 10, section 3, subdivision
309.20 7, is amended to read:

309.21 Subd. 7. **St. Paul Promise Neighborhood.** For a grant to the St. Paul Promise
309.22 Neighborhood:

309.23 \$ 1,200,000 2016

309.24 ~~1,200,000~~

309.25 \$ 1,210,000 2017

309.26 Funds appropriated in this section are to reduce multigenerational poverty and the
309.27 educational achievement gap through increased enrollment of families within the zone,
309.28 and may be used for St. Paul Promise Neighborhood programming and services consistent
309.29 with federal Promise Neighborhood program agreements and requirements.

309.30 The base for this program is \$1,200,000 for fiscal year 2018 and later.

309.31 Sec. 42. **AGRICULTURAL EDUCATOR GRANTS.**

310.1 Subdivision 1. **Grant program established.** A grant program is established to
310.2 support school districts in paying agricultural education teachers for work over the
310.3 summer with high school students in extended projects.

310.4 Subd. 2. **Application.** The commissioner of education shall develop the form and
310.5 method for applying for the grants. The commissioner shall develop criteria for determining
310.6 the allocation of the grants, including appropriate goals for the use of the grants.

310.7 Subd. 3. **Grant awards.** Grant funding under this section must be matched
310.8 by funding from the school district for the agricultural education teacher's summer
310.9 employment. Grant funding for each teacher is limited to the one-half share of 40 working
310.10 days.

310.11 Subd. 4. **Reports.** School districts that receive grant funds shall report to the
310.12 commissioner of education no later than December 31 of each year regarding the number
310.13 of teachers funded by the grant program and the outcomes compared to the goals
310.14 established in the grant application. The Department of Education shall develop the
310.15 criteria necessary for the reports.

310.16 Sec. 43. **EXCELLENCE IN TEACHING INCENTIVE GRANTS.**

310.17 The Board of Teaching shall award a onetime incentive grant of \$2,000 to any
310.18 Minnesota teacher who achieves National Board Certification after June 30, 2016, as long
310.19 as funds are available. A teacher may apply for a grant in the form and manner determined
310.20 by the Board of Teaching. The grants must be awarded on a first-come, first-served basis.

310.21 Sec. 44. **OUTDOOR PLACE-BASED EDUCATION ADVISORY GROUP.**

310.22 Subdivision 1. **Definitions.** For purposes of this section, "outdoor place-based
310.23 education" means the process of using the local community and outdoor environment as
310.24 a starting point to teach concepts in language arts, mathematics, social studies, science,
310.25 history, and other subjects across the curriculum.

310.26 Subd. 2. **Advisory group creation.** The outdoor place-based education advisory
310.27 group consists of the following 14 members:

310.28 (1) the commissioner or director of the following agencies or their designees:

310.29 (i) the Department of Education;

310.30 (ii) the Department of Natural Resources; and

310.31 (iii) the Minnesota Historical Society;

310.32 (2) 11 public members who have demonstrated an interest in outdoor skills and
310.33 education:

310.34 (i) one member appointed by Education Minnesota;

- 311.1 (ii) one member appointed by the Minnesota Rural Education Association;
311.2 (iii) one member appointed by the Minnesota School Boards Association;
311.3 (iv) one member appointed by the Minnesota Association of Charter Schools;
311.4 (v) one member appointed by the Parks and Trails Council of Minnesota;
311.5 (vi) one public member appointed by the majority leader of the senate;
311.6 (vii) one public member appointed by the minority leader of the senate;
311.7 (viii) one public member appointed by the speaker of the house;
311.8 (ix) one public member appointed by the minority leader of the house of
311.9 representatives; and
311.10 (x) two public members appointed by the governor.

311.11 Subd. 3. **Advisory group duties; report required.** (a) The advisory group must
311.12 develop recommendations for the design and implementation of a statewide outdoor
311.13 place-based education plan for students in prekindergarten through grade 12. The advisory
311.14 group must report proposed recommendations to the chairs and ranking minority members
311.15 of the legislative committees with primary jurisdiction over kindergarten through grade 12
311.16 education policy by February 15, 2017.

311.17 (b) The report required under this subdivision must, at a minimum:

311.18 (1) recommend strategies for the integration of outdoor place-based education in
311.19 each of the subject areas required for statewide accountability under Minnesota Statutes,
311.20 section 120B.021, subdivision 1, including any staff development required to support
311.21 such integration;

311.22 (2) identify grades or grade ranges in which outdoor place-based education may
311.23 have the greatest impact, given limited staff and financial resources;

311.24 (3) recommend an assessment instrument that districts may use in order to evaluate
311.25 the impact of outdoor place-based education; and

311.26 (4) estimate the financial and human resources required to implement the
311.27 recommendations on a statewide basis.

311.28 Subd. 4. **Administrative provisions.** (a) The commissioner of education or the
311.29 commissioner's designee must convene the initial meeting of the advisory group by
311.30 September 15, 2016. Upon request of the advisory group, the commissioner must provide
311.31 meeting space and administrative services for the advisory group. The members of the
311.32 advisory group must elect a chair or cochairs from the members of the advisory group at
311.33 the initial meeting.

311.34 (b) Public members of the advisory group serve without compensation, but may be
311.35 reimbursed for travel expenses.

312.1 (c) The advisory group expires February 15, 2017, or upon submission of the report
312.2 required under this section, whichever is earlier.

312.3 Subd. 5. **Deadline for appointments and designations.** The appointments and
312.4 designations authorized under this section must be completed by August 15, 2016.

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

312.6 Sec. 45. **PARAPROFESSIONAL PATHWAY TO TEACHER LICENSURE.**

312.7 The commissioner of education must establish a grant program for school districts
312.8 to design, establish, and maintain a paraprofessional pathway to teacher licensure or
312.9 a grow your own new teacher program. The programs must allow a current school
312.10 district paraprofessional to pursue their teaching license while still being employed by
312.11 the school district. A school district may apply in the form and manner prescribed by
312.12 the commissioner.

312.13 Sec. 46. **SUPPORT OUR STUDENTS GRANT PROGRAM.**

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

312.16 (1) "student support services personnel" includes individuals licensed to serve as a
312.17 school counselor, school psychologist, school social worker, school nurse, or chemical
312.18 dependency counselor in Minnesota; and

312.19 (2) "new position" means a student support services personnel full-time or part-time
312.20 position not under contract by a school at the start of the 2015-2016 school year.

312.21 Subd. 2. **Purpose.** The purpose of the support our students grant program is to:

312.22 (1) address shortages of student support services personnel within Minnesota schools;

312.23 (2) decrease caseloads for existing student support services personnel to ensure
312.24 effective services;

312.25 (3) ensure that students receive effective academic guidance and integrated and
312.26 comprehensive services to improve kindergarten through grade 12 school outcomes and
312.27 career and college readiness;

312.28 (4) ensure that student support services personnel serve within the scope and practice
312.29 of their training and licensure;

312.30 (5) fully integrate learning supports, instruction, and school management within a
312.31 comprehensive approach that facilitates interdisciplinary collaboration; and

312.32 (6) improve school safety and school climate to support academic success and
312.33 career and college readiness.

313.1 Subd. 3. **Grant eligibility and application.** (a) A school district, charter school,
313.2 intermediate school district, or other cooperative unit is eligible to apply for a six-year
313.3 matching grant under this section.

313.4 (b) The commissioner of education shall specify the form and manner of the grant
313.5 application. In awarding grants, the commissioner must give priority to schools in
313.6 which student support services personnel positions do not currently exist. To the extent
313.7 practicable, the commissioner must award grants equally between applicants in metro
313.8 counties and nonmetro counties. Additional criteria must include at least the following:

313.9 (1) existing student support services personnel caseloads;

313.10 (2) school demographics;

313.11 (3) Title 1 revenue;

313.12 (4) Minnesota student survey data;

313.13 (5) graduation rates; and

313.14 (6) postsecondary completion rates.

313.15 Subd. 4. **Allowed uses; match requirements.** A grant under this section must be
313.16 used to hire a new position. A school that receives a grant must match the grant with local
313.17 funds in each year of the grant. In each of the first four years of the grant, the local match
313.18 equals \$1 for every \$1 awarded in the same year. In years five and six of the grant, the
313.19 local match equals \$3 for every \$1 awarded in the same year. The local match may not
313.20 include federal reimbursements attributable to the new position.

313.21 Subd. 5. **Report required.** By February 1 following any fiscal year in which it
313.22 received a grant, a school must submit a written report to the commissioner indicating
313.23 how the new positions affected two or more of the following measures:

313.24 (1) school climate;

313.25 (2) attendance rates;

313.26 (3) academic achievement;

313.27 (4) career and college readiness; and

313.28 (5) postsecondary completion rates.

313.29 **Sec. 47. TEACHER DEVELOPMENT AND EVALUATION AID.**

313.30 (a) For fiscal year 2017 only, teacher development and evaluation aid for a school
313.31 district, intermediate school district, educational cooperative, education district, or charter
313.32 school with any school site that does not have an alternative professional pay system
313.33 agreement under Minnesota Statutes, section 122A.414, subdivision 2, equals \$400.68
313.34 times the number of full-time equivalent teachers employed on October 1 of the previous
313.35 school year in each school site without an alternative professional pay system under

314.1 Minnesota Statutes, section 122A.414, subdivision 2. Except for charter schools, aid under
314.2 this section must be reserved for teacher development and evaluation activities consistent
314.3 with Minnesota Statutes, section 122A.40, subdivision 8, or 122A.41, subdivision 5.

314.4 For the purposes of this section, "teacher" has the meaning given in Minnesota Statutes,
314.5 section 122A.40, subdivision 1, or 122A.41, subdivision 1.

314.6 (b) Notwithstanding paragraph (a), the state total teacher development and evaluation
314.7 aid entitlement must not exceed \$10,000,000 for fiscal year 2017. The commissioner must
314.8 limit the amount of aid under this section so as not to exceed this limit.

314.9 (c) One hundred percent of the teacher development and evaluation aid must be
314.10 paid in fiscal year 2017.

314.11 Sec. 48. **APPROPRIATIONS.**

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

314.15 Subd. 2. **Teacher development and evaluation.** For teacher development and
314.16 evaluation aid:

314.17 \$ 10,000,000 2017

314.18 This is a onetime appropriation.

314.19 Subd. 3. **Support our students grants.** For support our students grants:

314.20 \$ 13,100,000 2017

314.21 This is a onetime appropriation.

314.22 Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available
314.23 until June 30, 2023. The commissioner may not allot more than \$2,600,000 of this
314.24 appropriation before July 1, 2019. Up to \$100,000 of this appropriation may be retained
314.25 by the commissioner for administration of the grant program. Any balance remaining after
314.26 June 30, 2023, shall cancel to the general fund.

314.27 Subd. 4. **Paraprofessional pathway to teacher licensure.** For grants to school
314.28 districts for grow your own new teacher programs:

314.29 \$ 2,250,000 2017

314.30 The base in fiscal year 2018 is \$2,250,000.

314.31 Subd. 5. **Minnesota Council on Economic Education.** For a grant to the
314.32 Minnesota Council on Economic Education to provide staff development to teachers

315.1 for the implementation of the state graduation standards in learning areas relating to
315.2 economic education:

315.3 \$ 250,000 2017

315.4 The commissioner, in consultation with the council, shall develop expected results
315.5 of staff development, eligibility criteria for participants, an evaluation procedure, and
315.6 guidelines for direct and in-kind contributions by the council.

315.7 This is a onetime appropriation.

315.8 Subd. 6. **Education Innovation Partners Cooperative Center.** For a matching
315.9 grant to Education Innovation Partners Cooperative Center, No. 6091-50, to provide
315.10 research-based professional development services, on-site training, and leadership
315.11 coaching to teachers and other school staff:

315.12 \$ 500,000 2017

315.13 A grant under this subdivision must be matched with money or in-kind contributions
315.14 from nonstate sources. This is a onetime appropriation.

315.15 Subd. 7. **Teacher-governed school grants.** For grants to teacher-governed schools
315.16 under Minnesota Statutes, section 123B.04, subdivision 2a:

315.17 \$ 500,000 2017

315.18 This is a onetime appropriation.

315.19 Subd. 8. **Outdoor place-based education program.** For an outdoor place-based
315.20 education literature review:

315.21 \$ 35,000 2017

315.22 The commissioner, in collaboration with outdoor place-based education providers,
315.23 shall provide for a literature review of the existing evidence of the effect of outdoor
315.24 place-based education on educational outcomes and development of core competencies
315.25 that lead to career and college success and deliver the literature review to the outdoor
315.26 place-based education advisory group no later than November 15, 2016. This is a onetime
315.27 appropriation. For purposes of this subdivision, "outdoor place-based education" means
315.28 the process of using the local community and outdoor environment as a starting point to
315.29 teach concepts in language arts, mathematics, social studies, science, history, and other
315.30 subjects across the curriculum.

315.31 Subd. 9. **Outdoor place-based education advisory group.** For the outdoor
315.32 place-based education advisory group:

316.1 \$ 50,000 2017

316.2 This is a onetime appropriation.

316.3 Subd. 10. **Staff development aid for cooperative units.** For payment of staff
316.4 development aid to intermediate school districts and other cooperative units under
316.5 Minnesota Statutes, section 122A.61, subdivision 1a:

316.6 \$ 1,493,000 2017

316.7 Subd. 11. **Student teachers in shortage areas.** For transfer to the commissioner of
316.8 the Office of Higher Education for the purpose of providing grants to student teachers in
316.9 shortage areas under Minnesota Statutes, section 136A.1275:

316.10 \$ 2,000,000 2017

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

316.12 Subd. 12. **Singing-based pilot program to improve student reading.** (a) For a
316.13 grant to pilot a research-supported, computer-based educational program that uses singing
316.14 to improve the reading ability of students in grades three to five:

316.15 \$ 300,000 2017

316.16 (b) The commissioner of education shall award a grant to a 501(c)(3) nonprofit
316.17 organization to implement in at least three Minnesota school districts, charter schools,
316.18 or school sites, a research-supported, computer-based educational program that uses
316.19 singing to improve the reading ability of students in grades three to five. The grantee shall
316.20 be responsible for selecting participating school sites; providing any required hardware
316.21 and software, including software licenses, for the duration of the grant period; providing
316.22 technical support, training, and staff to install required project hardware and software;
316.23 providing on-site professional development and instructional monitoring and support for
316.24 school staff and students; administering pre- and post-intervention reading assessments;
316.25 evaluating the impact of the intervention; and other project management services as
316.26 required. To the extent practicable, the grantee must select participating schools in urban,
316.27 suburban, and greater Minnesota, and give priority to schools in which a high proportion
316.28 of students do not read proficiently at grade level and are eligible for free or reduced-price
316.29 lunch.

316.30 (c) By February 15, 2017, the grantee must submit a report detailing expenditures
316.31 and outcomes of the grant to the commissioner of education and the chairs and
316.32 ranking minority members of the legislative committees with primary jurisdiction over
316.33 kindergarten through grade 12 education policy and finance.

317.1 (d) This is a onetime appropriation.

317.2 Subd. 13. **Agricultural educator grants.** For agricultural educator grants:

317.3 \$ 250,000 2017

317.4 This is a onetime appropriation.

317.5 Subd. 14. **Grants for vision therapy pilot project.** (a) For a grant to Independent
317.6 School District No. 12, Centennial, to implement a neuro-optometric vision therapy
317.7 pilot project:

317.8 \$ 200,000 2017

317.9 This is a onetime appropriation and is available until June 30, 2019.

317.10 (b) In each year of the pilot project, second and third grade students identified by
317.11 a set of criteria created by the district shall be admitted into the pilot study. Identified
317.12 students shall have a comprehensive eye examination with written standard requirements
317.13 of testing. Students identified with a diagnosis of convergence insufficiency must undergo
317.14 a vision efficiency evaluation by a licensed optometrist or ophthalmologist trained in the
317.15 evaluation of learning-related vision problems. The results of this examination shall
317.16 determine whether a student will qualify for neuro-optometric vision therapy funded by
317.17 the grant. The parent or guardian of a student who qualifies for the pilot program under
317.18 this paragraph may submit a written notification to the school opting the student out
317.19 of the program. The district must establish guidelines to provide quality standards and
317.20 measures to ensure an appropriate diagnosis and treatment plan that is consistent with the
317.21 convergence insufficiency treatment trial study.

317.22 (c) The commissioner of education must provide for an evaluation of the pilot
317.23 project and make a report to the legislative committees with jurisdiction over kindergarten
317.24 through grade 12 education policy and finance by January 15, 2020.

317.25 **ARTICLE 14**

317.26 **CHARTER SCHOOLS**

317.27 Section 1. Minnesota Statutes 2015 Supplement, section 124E.10, is amended by
317.28 adding a subdivision to read:

317.29 Subd. 7. **School closures.** (a) Upon the final decision to close a charter school,
317.30 whether by voluntary action of the charter school's board of directors, nonrenewal
317.31 or termination of the charter contract by the authorizer, or termination of the charter
317.32 contract by the commissioner, the board of directors shall appoint a school closure trustee,
317.33 approved by the authorizer, within 15 business days of the final decision. The board of

318.1 directors or the authorizer may require the trustee to post a bond, in a sum and nature
318.2 reflective of the school's current condition and situation.

318.3 (b) The trustee must be a resident of Minnesota, possess a bachelor's or postgraduate
318.4 degree in accounting, law, nonprofit management, educational administration, or other
318.5 appropriate field, and have at least five years of work experience in their degree area. The
318.6 trustee must submit to a state and federal criminal background check, must not have
318.7 been convicted of a felony or other crime involving moral turpitude, and must not have
318.8 been found liable in a civil court for fraud, breach of fiduciary duty, civil theft, or similar
318.9 misconduct. The trustee must not be under investigation or pending criminal prosecution
318.10 for a felony or other crime. The trustee must not have a history of wage garnishment by
318.11 the Internal Revenue Service or the state and must not have filed for bankruptcy.

318.12 (c) The trustee must not have been an employee or contractor of the charter school
318.13 during the previous five years and must not have an immediate family member who is
318.14 an employee or contractor of the charter school or who serves on the charter school's
318.15 board of directors. The trustee must be independent and have no material interest adverse
318.16 to the school.

318.17 (d) The trustee shall have the responsibility to activate and execute the closure plan
318.18 for the charter school outlined in the school's charter contract, including the transfer
318.19 of student records required by subdivision 6, and the reporting of financial and student
318.20 data to the department necessary for the release of final aid payments under section
318.21 124E.25, subdivision 1, paragraph (b). Upon the appointment of the trustee, the trustee
318.22 must approve all school expenditures before payment and shall be a required signatory
318.23 on all school accounts and payments made by the school. The trustee has the authority
318.24 to void and seek reimbursement of any and all extraordinary payments of the school
318.25 to individuals, contractors, or corporations made within 90 business days of the final
318.26 decision to close. If during the closure process it is determined by the charter school's
318.27 board of directors or the authorizer that the trustee is not performing the closure duties in
318.28 an efficient and effective manner, the authorizer may appoint a new trustee.

318.29 (e) The trustee shall be entitled to immunity provided by common law for acts or
318.30 omissions within the scope of the trustee's appointment. The trustee is not exempt from an
318.31 illegal or criminal act, nor any act that is a result of malfeasance or misfeasance.

318.32 (f) A charter school closure fund shall be established and managed by the Department
318.33 of Education. The Department of Education may charge the fund a management fee
318.34 commensurate with the annual activity in the fund. The Department of Education must
318.35 issue an annual report on the income and expenditures of the fund by September 30 to all
318.36 charter schools. The fund shall be financed by a per capita pupil fee paid by all charter

319.1 schools. Until the fund reaches a cap of \$200,000, the per capita pupil fee shall be \$1 per
319.2 pupil annually. Upon the fund reaching the \$200,000 cap, the annual per capita pupil fee
319.3 shall equal the per pupil amount needed to maintain the fund at \$200,000. The Department
319.4 of Education shall have the power to deduct the annual fee from a charter school aid
319.5 payment in the month of February based on the number of pupils enrolled in charter
319.6 schools on October 1 of the previous year, and transfer the funding to the charter school
319.7 closure fund. When an authorizer ceases to authorize schools, the authorizer shall transfer
319.8 any remaining balance from authorizer fees to the fund.

319.9 (g) Funds from the charter school closure fund may only be authorized and used for
319.10 the following expenses: the cost of the external audits necessary for the school closure
319.11 process; the cost of liability insurance for the school corporation during the closure
319.12 process; legal costs for the dissolution of the school corporation; and the trustee's fee,
319.13 negotiated upon appointment. The charter school closure fund shall not be used for any
319.14 other expenses related to the closed school and may only be requested after all other
319.15 school funds and assets of the closed school have been expended. No more than \$70,000
319.16 may be expended from the fund for an individual school closure process. The trustee may
319.17 request funding to cover the authorized expenditures, except for the trustee's fee, which
319.18 must be requested by the charter school's board of directors or the authorizer if the board
319.19 of directors is nonoperative.

319.20 (h) If a charter school board of directors files for bankruptcy upon the final decision
319.21 to close the school, the bankruptcy trustee appointed by the bankruptcy court shall have
319.22 the authority to activate and execute the closure plan in the charter school contract.

319.23 Sec. 2. Minnesota Statutes 2014, section 127A.45, subdivision 6a, is amended to read:

319.24 Subd. 6a. **Cash flow adjustment.** The board of directors of any ~~charter school~~
319.25 ~~servicing fewer than 200 students where the percent of students eligible for special~~
319.26 ~~education services equals at least 90 percent of the charter school's total enrollment~~
319.27 eligible special education charter school under section 124E.21, subdivision 2, may
319.28 request that the commissioner of education accelerate the school's cash flow under this
319.29 section. The commissioner must approve a properly submitted request within 30 days of
319.30 its receipt. The commissioner must accelerate the school's regular special education aid
319.31 payments according to the schedule in the school's request and modify the payments to the
319.32 school under subdivision 3 accordingly. A school must not receive current payments of
319.33 regular special education aid exceeding 90 percent of its estimated aid entitlement for the
319.34 fiscal year. The commissioner must delay the special education aid payments to all other
319.35 school districts and charter schools in proportion to each district or charter school's total

320.1 share of regular special education aid such that the overall aid payment savings from the
 320.2 aid payment shift remains unchanged for any fiscal year.

320.3 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
 320.4 later.

320.5 Sec. 3. Laws 2015, First Special Session chapter 3, article 4, section 4, the effective
 320.6 date, is amended to read:

320.7 **EFFECTIVE DATE.** This section is effective the day following final enactment
 320.8 except the provision under paragraph (g) allowing prekindergarten deaf or hard-of-hearing
 320.9 pupils to enroll in a charter school is effective ~~only if the commissioner of education~~
 320.10 ~~determines there is no added cost attributable to the pupil~~ for the 2016-2017 school year
 320.11 and later.

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

320.13 Sec. 4. Laws 2015, First Special Session chapter 3, article 4, section 9, subdivision 2,
 320.14 is amended to read:

320.15 Subd. 2. **Charter school building lease aid.** For building lease aid under Minnesota
 320.16 Statutes, section ~~124D.11, subdivision 4~~ 124E.22:

320.17		66,787,000		
320.18	\$	<u>63,540,000</u>	.....	2016
320.19		73,603,000		
320.20	\$	<u>70,132,000</u>	.....	2017

320.21 The 2016 appropriation includes \$6,032,000 for 2015 and ~~\$60,755,000~~ \$57,508,000
 320.22 for 2016.

320.23 The 2017 appropriation includes ~~\$6,750,000~~ \$6,389,000 for 2016 and ~~\$66,853,000~~
 320.24 \$63,743,000 for 2017.

320.25 **ARTICLE 15**

320.26 **SPECIAL EDUCATION**

320.27 Section 1. Minnesota Statutes 2015 Supplement, section 125A.08, is amended to read:

320.28 **125A.08 INDIVIDUALIZED EDUCATION PROGRAMS.**

320.29 (a) At the beginning of each school year, each school district shall have in effect, for
 320.30 each child with a disability, an individualized education program.

320.31 (b) As defined in this section, every district must ensure the following:

321.1 (1) all students with disabilities are provided the special instruction and services
321.2 which are appropriate to their needs. Where the individualized education program team
321.3 has determined appropriate goals and objectives based on the student's needs, including the
321.4 extent to which the student can be included in the least restrictive environment, and where
321.5 there are essentially equivalent and effective instruction, related services, or assistive
321.6 technology devices available to meet the student's needs, cost to the district may be among
321.7 the factors considered by the team in choosing how to provide the appropriate services,
321.8 instruction, or devices that are to be made part of the student's individualized education
321.9 program. The individualized education program team shall consider and may authorize
321.10 services covered by medical assistance according to section 256B.0625, subdivision 26.
321.11 When a school district makes a determination of other health disability under Minnesota
321.12 Rules, part 3525.1335, subparts 1, and 2, item A, subitem (1), the student's individualized
321.13 education program team must seek written and signed documentation by a licensed health
321.14 provider within the scope of the provider's practice of a medically diagnosed chronic or
321.15 acute health condition. The student's needs and the special education instruction and
321.16 services to be provided must be agreed upon through the development of an individualized
321.17 education program. The program must address the student's need to develop skills to
321.18 live and work as independently as possible within the community. The individualized
321.19 education program team must consider positive behavioral interventions, strategies,
321.20 and supports that address behavior needs for children. During grade 9, the program
321.21 must address the student's needs for transition from secondary services to postsecondary
321.22 education and training, employment, community participation, recreation, and leisure
321.23 and home living. In developing the program, districts must inform parents of the full
321.24 range of transitional goals and related services that should be considered. The program
321.25 must include a statement of the needed transition services, including a statement of the
321.26 interagency responsibilities or linkages or both before secondary services are concluded;

321.27 (2) children with a disability under age five and their families are provided special
321.28 instruction and services appropriate to the child's level of functioning and needs;

321.29 (3) children with a disability and their parents or guardians are guaranteed procedural
321.30 safeguards and the right to participate in decisions involving identification, assessment
321.31 including assistive technology assessment, and educational placement of children with a
321.32 disability;

321.33 (4) eligibility and needs of children with a disability are determined by an initial
321.34 evaluation or reevaluation, which may be completed using existing data under United
321.35 States Code, title 20, section 33, et seq.;

322.1 (5) to the maximum extent appropriate, children with a disability, including those
322.2 in public or private institutions or other care facilities, are educated with children who
322.3 are not disabled, and that special classes, separate schooling, or other removal of children
322.4 with a disability from the regular educational environment occurs only when and to the
322.5 extent that the nature or severity of the disability is such that education in regular classes
322.6 with the use of supplementary services cannot be achieved satisfactorily;

322.7 (6) in accordance with recognized professional standards, testing and evaluation
322.8 materials, and procedures used for the purposes of classification and placement of children
322.9 with a disability are selected and administered so as not to be racially or culturally
322.10 discriminatory; and

322.11 (7) the rights of the child are protected when the parents or guardians are not known
322.12 or not available, or the child is a ward of the state.

322.13 (c) For all paraprofessionals employed to work in programs whose role in part is
322.14 to provide direct support to students with disabilities, the school board in each district
322.15 shall ensure that:

322.16 (1) before or beginning at the time of employment, each paraprofessional must
322.17 develop sufficient knowledge and skills in emergency procedures, building orientation,
322.18 roles and responsibilities, confidentiality, vulnerability, and reportability, among other
322.19 things, to begin meeting the needs, especially disability-specific and behavioral needs, of
322.20 the students with whom the paraprofessional works;

322.21 (2) annual training opportunities are required to enable the paraprofessional to
322.22 continue to further develop the knowledge and skills that are specific to the students with
322.23 whom the paraprofessional works, including understanding disabilities, the unique and
322.24 individual needs of each student according to the student's disability and how the disability
322.25 affects the student's education and behavior, following lesson plans, and implementing
322.26 follow-up instructional procedures and activities; and

322.27 (3) a districtwide process obligates each paraprofessional to work under the ongoing
322.28 direction of a licensed teacher and, where appropriate and possible, the supervision of a
322.29 school nurse.

322.30 Sec. 2. Minnesota Statutes 2015 Supplement, section 125A.11, subdivision 1, is
322.31 amended to read:

322.32 Subdivision 1. **Nonresident tuition rate; other costs.** (a) For fiscal year 2015 and
322.33 later, when a school district provides special instruction and services for a pupil with
322.34 a disability as defined in section 125A.02 outside the district of residence, excluding
322.35 a pupil for whom an adjustment to special education aid is calculated according to

323.1 section 127A.47, subdivision 7, paragraphs (b) to (d), special education aid paid to the
323.2 resident district must be reduced by an amount equal to (1) the actual cost of providing
323.3 special instruction and services to the pupil, including a proportionate amount for special
323.4 transportation ~~and unreimbursed building lease and debt service costs for facilities~~
323.5 ~~used primarily for special education~~, plus (2) the amount of general education revenue,
323.6 excluding local optional revenue, plus local optional aid and referendum equalization aid
323.7 attributable to that pupil, calculated using the resident district's average general education
323.8 revenue and referendum equalization aid per adjusted pupil unit excluding basic skills
323.9 revenue, elementary sparsity revenue and secondary sparsity revenue, minus (3) the
323.10 amount of special education aid for children with a disability under section 125A.76
323.11 received on behalf of that child, minus (4) if the pupil receives special instruction and
323.12 services outside the regular classroom for more than 60 percent of the school day, the
323.13 amount of general education revenue and referendum equalization aid, excluding portions
323.14 attributable to district and school administration, district support services, operations and
323.15 maintenance, capital expenditures, and pupil transportation, attributable to that pupil
323.16 for the portion of time the pupil receives special instruction and services outside of the
323.17 regular classroom, calculated using the resident district's average general education
323.18 revenue and referendum equalization aid per adjusted pupil unit excluding basic skills
323.19 revenue, elementary sparsity revenue and secondary sparsity revenue and the serving
323.20 district's basic skills revenue, elementary sparsity revenue and secondary sparsity revenue
323.21 per adjusted pupil unit. Notwithstanding clauses (1) and (4), for pupils served by a
323.22 cooperative unit without a fiscal agent school district, the general education revenue and
323.23 referendum equalization aid attributable to a pupil must be calculated using the resident
323.24 district's average general education revenue and referendum equalization aid excluding
323.25 compensatory revenue, elementary sparsity revenue, and secondary sparsity revenue.
323.26 Special education aid paid to the district or cooperative providing special instruction and
323.27 services for the pupil must be increased by the amount of the reduction in the aid paid
323.28 to the resident district. ~~Amounts paid to cooperatives under this subdivision and section~~
323.29 ~~127A.47, subdivision 7, shall be recognized and reported as revenues and expenditures on~~
323.30 ~~the resident school district's books of account under sections 123B.75 and 123B.76. If~~
323.31 the resident district's special education aid is insufficient to make the full adjustment, the
323.32 remaining adjustment shall be made to other state aid due to the district.

323.33 (b) Notwithstanding paragraph (a), when a charter school receiving special education
323.34 aid under section 124E.21, subdivision 3, provides special instruction and services for
323.35 a pupil with a disability as defined in section 125A.02, excluding a pupil for whom an
323.36 adjustment to special education aid is calculated according to section 127A.46, subdivision

324.1 7, paragraphs (b) to (e), special education aid paid to the resident district must be reduced
324.2 by an amount equal to that calculated under paragraph (a) as if the charter school received
324.3 aid under section 124E.21, subdivision 1. Notwithstanding paragraph (a), special education
324.4 aid paid to the charter school providing special instruction and services for the pupil must
324.5 not be increased by the amount of the reduction in the aid paid to the resident district.

324.6 (c) Notwithstanding paragraph (a) and section 127A.47, subdivision 7, paragraphs
324.7 (b) to (d);

324.8 (1) an intermediate district or a special education cooperative may recover
324.9 unreimbursed costs of serving pupils with a disability, including building lease, debt
324.10 service, and indirect costs necessary for the general operation of the organization, by
324.11 billing membership fees and nonmember access fees to the resident district;

324.12 (2) a charter school where more than 30 percent of enrolled students receive special
324.13 education and related services, a site approved under section 125A.515, an intermediate
324.14 district, or a special education cooperative, or a school district that served as the applicant
324.15 agency for a group of school districts for federal special education aids for fiscal year 2006
324.16 may apply to the commissioner for authority to charge the resident district an additional
324.17 amount to recover any remaining unreimbursed costs of serving pupils with a disability;

324.18 (3) the billing under clause (1) or application under clause (2) must include a
324.19 description of the costs and the calculations used to determine the unreimbursed portion to
324.20 be charged to the resident district. Amounts approved by the commissioner under this
324.21 paragraph clause (2) must be included in the tuition billings or aid adjustments under
324.22 paragraph (a), or section 127A.47, subdivision 7, paragraphs (b) to (d), as applicable.

324.23 (d) For purposes of this subdivision and section 127A.47, subdivision 7, paragraph
324.24 (b), "general education revenue and referendum equalization aid" means the sum of the
324.25 general education revenue according to section 126C.10, subdivision 1, excluding the
324.26 local optional levy according to section 126C.10, subdivision 2e, paragraph (c), plus the
324.27 referendum equalization aid according to section 126C.17, subdivision 7.

324.28 Sec. 3. Minnesota Statutes 2015 Supplement, section 125A.21, subdivision 3, is
324.29 amended to read:

324.30 Subd. 3. **Use of reimbursements.** ~~Of the reimbursements received, districts may~~
324.31 School districts must reserve third-party revenue and must spend the reimbursements
324.32 received only to:

324.33 (1) retain an amount sufficient to compensate the district for its administrative costs
324.34 of obtaining reimbursements;

325.1 (2) regularly obtain from education- and health-related entities training and other
325.2 appropriate technical assistance designed to improve the district's ability to access
325.3 third-party payments for individualized education program or individualized family
325.4 service plan health-related services; or

325.5 (3) reallocate reimbursements for the benefit of students with individualized
325.6 education programs or individualized family service plans in the district.

325.7 Sec. 4. Minnesota Statutes 2015 Supplement, section 125A.76, subdivision 2c, is
325.8 amended to read:

325.9 Subd. 2c. **Special education aid.** (a) For fiscal year 2014 and fiscal year 2015, a
325.10 district's special education aid equals the sum of the district's special education aid under
325.11 subdivision 5, the district's cross subsidy reduction aid under subdivision 2b, and the
325.12 district's excess cost aid under section 125A.79, subdivision 7.

325.13 (b) For fiscal year 2016 and later, a district's special education aid equals the sum of
325.14 the district's special education initial aid under subdivision 2a and the district's excess cost
325.15 aid under section 125A.79, subdivision 5.

325.16 (c) Notwithstanding paragraph (b), for fiscal year 2016, the special education aid for
325.17 a school district must not exceed the sum of the special education aid the district would
325.18 have received for fiscal year 2016 under Minnesota Statutes 2012, sections 125A.76
325.19 and 125A.79, as adjusted according to Minnesota Statutes 2012, sections 125A.11 and
325.20 127A.47, subdivision 7, and the product of the district's average daily membership served
325.21 and the special education aid increase limit.

325.22 (d) Notwithstanding paragraph (b), for fiscal year 2017 and later, the special education
325.23 aid for a school district must not exceed the sum of: (i) the product of the district's average
325.24 daily membership served and the special education aid increase limit and (ii) the product
325.25 of the sum of the special education aid the district would have received for fiscal year 2016
325.26 under Minnesota Statutes 2012, sections 125A.76 and 125A.79, as adjusted according
325.27 to Minnesota Statutes 2012, sections 125A.11 and 127A.47, subdivision 7, the ratio of
325.28 the district's average daily membership served for the current fiscal year to the district's
325.29 average daily membership served for fiscal year 2016, and the program growth factor.

325.30 (e) Notwithstanding paragraph (b), for fiscal year 2016 and later the special
325.31 education aid for a school district, not including a charter school or cooperative unit as
325.32 defined in section 123A.24, must not be less than the lesser of (1) the district's nonfederal
325.33 special education expenditures for that fiscal year or (2) the product of the sum of the
325.34 special education aid the district would have received for fiscal year 2016 under Minnesota
325.35 Statutes 2012, sections 125A.76 and 125A.79, as adjusted according to Minnesota Statutes

326.1 2012, sections 125A.11 and 127A.47, subdivision 7, the ratio of the district's adjusted
326.2 daily membership for the current fiscal year to the district's average daily membership for
326.3 fiscal year 2016, and the program growth factor.

326.4 (f) Notwithstanding subdivision 2a and section 125A.79, a charter school in its first
326.5 year of operation shall generate special education aid based on current year data. A newly
326.6 formed cooperative unit as defined in section 123A.24 may apply to the commissioner
326.7 for approval to generate special education aid for its first year of operation based on
326.8 current year data, with an offsetting adjustment to the prior year data used to calculate aid
326.9 for programs at participating school districts or previous cooperatives that were replaced
326.10 by the new cooperative.

326.11 (g) The department shall establish procedures through the uniform financial
326.12 accounting and reporting system to identify and track all revenues generated from
326.13 third-party billings as special education revenue at the school district level; include revenue
326.14 generated from third-party billings as special education revenue in the annual cross-subsidy
326.15 report; and exclude third-party revenue from calculation of excess cost aid to the districts.

326.16 Sec. 5. Minnesota Statutes 2015 Supplement, section 125A.79, subdivision 1, is
326.17 amended to read:

326.18 Subdivision 1. **Definitions.** For the purposes of this section, the definitions in this
326.19 subdivision apply.

326.20 (a) "Unreimbursed old formula special education expenditures" means:

326.21 (1) old formula special education expenditures for the prior fiscal year; minus

326.22 (2) for fiscal years 2014 and 2015, the sum of the special education aid under section
326.23 125A.76, subdivision 5, for the prior fiscal year and the cross subsidy reduction aid under
326.24 section 125A.76, subdivision 2b, and for fiscal year 2016 and later, the special education
326.25 initial aid under section 125A.76, subdivision 2a; minus

326.26 (3) for fiscal year 2016 and later, the amount of general education revenue, excluding
326.27 local optional revenue, plus local optional aid and referendum equalization aid for the
326.28 prior fiscal year attributable to pupils receiving special instruction and services outside the
326.29 regular classroom for more than 60 percent of the school day for the portion of time the
326.30 pupils receive special instruction and services outside the regular classroom, excluding
326.31 portions attributable to district and school administration, district support services,
326.32 operations and maintenance, capital expenditures, and pupil transportation.

326.33 (b) "Unreimbursed nonfederal special education expenditures" means:

326.34 (1) nonfederal special education expenditures for the prior fiscal year; minus

326.35 (2) special education initial aid under section 125A.76, subdivision 2a; minus

327.1 (3) the amount of general education revenue, excluding local optional revenue, plus
327.2 local optional aid, and referendum equalization aid for the prior fiscal year attributable
327.3 to pupils receiving special instruction and services outside the regular classroom for
327.4 more than 60 percent of the school day for the portion of time the pupils receive special
327.5 instruction and services outside of the regular classroom, excluding portions attributable to
327.6 district and school administration, district support services, operations and maintenance,
327.7 capital expenditures, and pupil transportation.

327.8 (c) "General revenue" for a school district means the sum of the general education
327.9 revenue according to section 126C.10, subdivision 1, excluding transportation sparsity
327.10 revenue, local optional revenue, and total operating capital revenue. "General revenue"
327.11 for a charter school means the sum of the general education revenue according to section
327.12 124E.20, subdivision 1, and transportation revenue according to section 124E.23,
327.13 excluding referendum equalization aid, transportation sparsity revenue, and operating
327.14 capital revenue.

327.15 Sec. 6. Minnesota Statutes 2015 Supplement, section 127A.47, subdivision 7, is
327.16 amended to read:

327.17 Subd. 7. **Alternative attendance programs.** (a) The general education aid and
327.18 special education aid for districts must be adjusted for each pupil attending a nonresident
327.19 district under sections 123A.05 to 123A.08, 124D.03, 124D.08, and 124D.68. The
327.20 adjustments must be made according to this subdivision.

327.21 (b) For purposes of this subdivision, the "unreimbursed cost of providing special
327.22 education and services" means the difference between: (1) the actual cost of providing
327.23 special instruction and services, including special transportation and unreimbursed
327.24 building lease and debt service costs for facilities used primarily for special education, for
327.25 a pupil with a disability, as defined in section 125A.02, or a pupil, as defined in section
327.26 125A.51, who is enrolled in a program listed in this subdivision, minus (2) if the pupil
327.27 receives special instruction and services outside the regular classroom for more than
327.28 60 percent of the school day, the amount of general education revenue, excluding local
327.29 optional revenue, plus local optional aid and referendum equalization aid as defined in
327.30 section 125A.11, subdivision 1, paragraph (d), attributable to that pupil for the portion of
327.31 time the pupil receives special instruction and services outside of the regular classroom,
327.32 excluding portions attributable to district and school administration, district support
327.33 services, operations and maintenance, capital expenditures, and pupil transportation,
327.34 minus (3) special education aid under section 125A.76 attributable to that pupil, that is
327.35 received by the district providing special instruction and services. For purposes of this

328.1 paragraph, general education revenue and referendum equalization aid attributable to a
328.2 pupil must be calculated using the serving district's average general education revenue
328.3 and referendum equalization aid per adjusted pupil unit.

328.4 (c) For fiscal year 2015 and later, special education aid paid to a resident district
328.5 must be reduced by an amount equal to 90 percent of the unreimbursed cost of providing
328.6 special education and services.

328.7 (d) Notwithstanding paragraph (c), special education aid paid to a resident district
328.8 must be reduced by an amount equal to 100 percent of the unreimbursed cost of special
328.9 education and services provided to students at an intermediate district, cooperative, or
328.10 charter school where the percent of students eligible for special education services is at
328.11 least 70 percent of the charter school's total enrollment.

328.12 (e) Notwithstanding paragraph (c), special education aid paid to a resident district
328.13 must be reduced under paragraph (d) for students at a charter school receiving special
328.14 education aid under section 124E.21, subdivision 3, calculated as if the charter school
328.15 received special education aid under section 124E.21, subdivision 1.

328.16 (f) Special education aid paid to the district or cooperative providing special
328.17 instruction and services for the pupil, or to the fiscal agent district for a cooperative, must
328.18 be increased by the amount of the reduction in the aid paid to the resident district under
328.19 paragraphs (c) and (d). If the resident district's special education aid is insufficient to make
328.20 the full adjustment under paragraphs (c), (d), and (e), the remaining adjustment shall be
328.21 made to other state aids due to the district.

328.22 (g) Notwithstanding paragraph (a), general education aid paid to the resident district
328.23 of a nonspecial education student for whom an eligible special education charter school
328.24 receives general education aid under section 124E.20, subdivision 1, paragraph (c), must
328.25 be reduced by an amount equal to the difference between the general education aid
328.26 attributable to the student under section 124E.20, subdivision 1, paragraph (c), and the
328.27 general education aid that the student would have generated for the charter school under
328.28 section 124E.20, subdivision 1, paragraph (a). For purposes of this paragraph, "nonspecial
328.29 education student" means a student who does not meet the definition of pupil with a
328.30 disability as defined in section 125A.02 or the definition of a pupil in section 125A.51.

328.31 (h) An area learning center operated by a service cooperative, intermediate district,
328.32 education district, or a joint powers cooperative may elect through the action of the
328.33 constituent boards to charge the resident district tuition for pupils rather than to have the
328.34 general education revenue paid to a fiscal agent school district. Except as provided in
328.35 paragraph (f), the district of residence must pay tuition equal to at least 90 and no more
328.36 than 100 percent of the district average general education revenue per pupil unit minus

329.1 an amount equal to the product of the formula allowance according to section 126C.10,
 329.2 subdivision 2, times .0466, calculated without compensatory revenue, local optional
 329.3 revenue, and transportation sparsity revenue, times the number of pupil units for pupils
 329.4 attending the area learning center.

329.5 Sec. 7. Laws 2015, First Special Session chapter 3, article 5, section 30, subdivision 2,
 329.6 is amended to read:

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

329.9		1,170,929,000		
329.10	\$	<u>1,183,619,000</u>	.....	2016
329.11		1,229,706,000		
329.12	\$	<u>1,247,108,000</u>	.....	2017

329.13 The 2016 appropriation includes \$137,932,000 for 2015 and ~~\$1,032,997,000~~
 329.14 \$1,045,687,000 for 2016.

329.15 The 2017 appropriation includes ~~\$145,355,000~~ \$147,202,000 for 2016 and
 329.16 ~~\$1,084,351,000~~ \$1,099,906,000 for 2017.

329.17 Sec. 8. **APPROPRIATIONS.**

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

329.21 Subd. 2. Restrictive procedures work group. To implement the recommendations
 329.22 from the restrictive procedures work group under Minnesota Statutes, section 125A.0942:

329.23	\$	<u>500,000</u>	<u>2017</u>
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329.24 **ARTICLE 16**

329.25 **FACILITIES AND TECHNOLOGY**

329.26 Section 1. Minnesota Statutes 2014, section 123B.53, subdivision 5, is amended to read:

329.27 Subd. 5. **Equalized debt service levy.** (a) The equalized debt service levy of a
 329.28 district equals the sum of the first tier equalized debt service levy and the second tier
 329.29 equalized debt service levy.

329.30 (b) A district's first tier equalized debt service levy equals the district's first tier debt
 329.31 service equalization revenue times the lesser of one or the ratio of:

330.1 (1) the quotient derived by dividing the adjusted net tax capacity of the district for
 330.2 the year before the year the levy is certified by the adjusted pupil units in the district for
 330.3 the school year ending in the year prior to the year the levy is certified; to

330.4 (2) \$3,400 in fiscal year 2016 ~~and~~, \$4,430 in fiscal year 2017, and the greater of
 330.5 \$4,430 or 55.33 percent of the initial equalizing factor in fiscal year 2018 and later.

330.6 (c) A district's second tier equalized debt service levy equals the district's second tier
 330.7 debt service equalization revenue times the lesser of one or the ratio of:

330.8 (1) the quotient derived by dividing the adjusted net tax capacity of the district for
 330.9 the year before the year the levy is certified by the adjusted pupil units in the district for
 330.10 the school year ending in the year prior to the year the levy is certified; to

330.11 (2) \$8,000 in fiscal years 2016 and 2017, and the greater of \$8,000 or 99.91 percent
 330.12 of the initial equalizing factor in fiscal year 2018 and later.

330.13 (d) For the purposes of this subdivision, the initial equalizing factor equals the
 330.14 quotient derived by dividing the total adjusted net tax capacity of all school districts in the
 330.15 state for the year before the year the levy is certified by the total number of adjusted pupil
 330.16 units in all school districts in the state in the year before the year the levy is certified.

330.17 Sec. 2. Minnesota Statutes 2014, section 123B.535, is amended to read:

330.18 **123B.535 ~~NATURAL DISASTER ENHANCED~~ DEBT SERVICE**
 330.19 **EQUALIZATION.**

330.20 Subdivision 1. **Definitions; eligibility.** (a) For purposes of this section, the eligible
 330.21 ~~natural disaster~~ enhanced debt service revenue of a district is defined as the amount
 330.22 needed to produce between five and six percent in excess of the amount needed to meet
 330.23 when due the principal and interest payments on the obligations of the district eligible
 330.24 under paragraphs (b) and (c) that would otherwise qualify under section 123B.53 ~~under~~
 330.25 ~~the following conditions:~~

330.26 (b) A district that has been negatively affected by a natural disaster qualifies for
 330.27 enhanced debt service equalization under this section if:

330.28 (1) the district was impacted by a natural disaster event or area occurring January
 330.29 1, 2005, or later, as declared by the President of the United States of America, which is
 330.30 eligible for Federal Emergency Management Agency payments;

330.31 (2) the natural disaster caused \$500,000 or more in damages to school district
 330.32 buildings; and

330.33 (3) the repair and replacement costs are not covered by insurance payments or
 330.34 Federal Emergency Management Agency payments.

331.1 (c) A district that consolidated on or after July 1, 2016, with an approved
 331.2 consolidation plat and plan under section 123A.48 that included building or remodeling
 331.3 school facilities is eligible for enhanced debt service equalization under this section.

331.4 ~~(b)~~ (d) For purposes of this section, the adjusted net tax capacity equalizing factor
 331.5 equals the quotient derived by dividing the total adjusted net tax capacity of all school
 331.6 districts in the state for the year before the year the levy is certified by the total number of
 331.7 adjusted pupil units in the state for the year prior to the year the levy is certified.

331.8 ~~(e)~~ (e) For purposes of this section, the adjusted net tax capacity determined
 331.9 according to sections 127A.48 and 273.1325 shall be adjusted to include the tax capacity of
 331.10 property generally exempted from ad valorem taxes under section 272.02, subdivision 64.

331.11 Subd. 2. **Notification.** A district eligible for ~~natural-disaster~~ enhanced debt service
 331.12 ~~equalization~~ revenue under subdivision 1 must notify the commissioner of the amount of
 331.13 its intended ~~natural-disaster~~ enhanced debt service revenue calculated under subdivision 1
 331.14 for all bonds sold prior to the notification by July 1 of the calendar year the levy is certified.

331.15 Subd. 3. **Natural-disaster Enhanced debt service equalization revenue.** The
 331.16 enhanced debt service equalization revenue of a district that qualifies under subdivision 1,
 331.17 paragraph (b) or (c), equals the greater of zero or the eligible debt service revenue, minus
 331.18 the greater of zero or ~~the difference between:~~

331.19 ~~(1)~~ the amount raised by a levy of ten percent times the adjusted net tax capacity
 331.20 of the district; ~~and~~

331.21 ~~(2) the district's eligible debt service revenue under section 123B.53.~~

331.22 Subd. 4. **Equalized ~~natural-disaster~~ enhanced debt service levy.** A district's
 331.23 equalized ~~natural-disaster~~ enhanced debt service levy equals the district's ~~natural-disaster~~
 331.24 enhanced debt service equalization revenue times the lesser of one or the ratio of:

331.25 (1) the quotient derived by dividing the adjusted net tax capacity of the district for
 331.26 the year before the year the levy is certified by the adjusted pupil units in the district for
 331.27 the school year ending in the year prior to the year the levy is certified; to

331.28 (2) 300 percent of the statewide adjusted net tax capacity equalizing factor.

331.29 Subd. 5. **Natural-disaster Enhanced debt service equalization aid.** A district's
 331.30 ~~natural-disaster~~ enhanced debt service equalization aid equals the difference between the
 331.31 district's ~~natural-disaster~~ enhanced debt service equalization revenue and the district's
 331.32 equalized ~~natural-disaster~~ enhanced debt service levy.

331.33 Subd. 6. **Natural-disaster Enhanced debt service equalization aid payment**
 331.34 **schedule.** Enhanced debt service equalization aid must be paid according to section
 331.35 127A.45, subdivision 10.

331.36 **EFFECTIVE DATE.** This section is effective for taxes payable in 2017 and later.

332.1 Sec. 3. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 1, is
332.2 amended to read:

332.3 Subdivision 1. **Long-term facilities maintenance revenue.** (a) For fiscal year
332.4 2017 only, long-term facilities maintenance revenue equals the greater of (1) the sum of
332.5 (i) \$193 times the district's adjusted pupil units times the lesser of one or the ratio of the
332.6 district's average building age to 35 years, plus the cost approved by the commissioner
332.7 for indoor air quality, fire alarm and suppression, and asbestos abatement projects under
332.8 section 123B.57, subdivision 6, with an estimated cost of \$100,000 or more per site,
332.9 plus (ii) for a school district with an approved voluntary prekindergarten program under
332.10 section 124D.151, the cost approved by the commissioner for remodeling existing
332.11 instructional space to accommodate prekindergarten instruction, or (2) the sum of (i) the
332.12 amount the district would have qualified for under Minnesota Statutes 2014, section
332.13 123B.57, Minnesota Statutes 2014, section 123B.59, and Minnesota Statutes 2014, section
332.14 123B.591-, and (ii) for a school district with an approved voluntary prekindergarten
332.15 program under section 124D.151, the cost approved by the commissioner for remodeling
332.16 existing instructional space to accommodate prekindergarten instruction.

332.17 (b) For fiscal year 2018 only, long-term facilities maintenance revenue equals the
332.18 greater of (1) the sum of (i) \$292 times the district's adjusted pupil units times the lesser
332.19 of one or the ratio of the district's average building age to 35 years, plus (ii) the cost
332.20 approved by the commissioner for indoor air quality, fire alarm and suppression, and
332.21 asbestos abatement projects under section 123B.57, subdivision 6, with an estimated cost
332.22 of \$100,000 or more per site, plus (iii) for a school district with an approved voluntary
332.23 prekindergarten program under section 124D.151, the cost approved by the commissioner
332.24 for remodeling existing instructional space to accommodate prekindergarten instruction,
332.25 or (2) the sum of (i) the amount the district would have qualified for under Minnesota
332.26 Statutes 2014, section 123B.57, Minnesota Statutes 2014, section 123B.59, and Minnesota
332.27 Statutes 2014, section 123B.591-, and (ii) for a school district with an approved voluntary
332.28 prekindergarten program under section 124D.151, the cost approved by the commissioner
332.29 for remodeling existing instructional space to accommodate prekindergarten instruction.

332.30 (c) For fiscal year 2019 and later, long-term facilities maintenance revenue equals
332.31 the greater of (1) the sum of (i) \$380 times the district's adjusted pupil units times the
332.32 lesser of one or the ratio of the district's average building age to 35 years, plus (ii) the cost
332.33 approved by the commissioner for indoor air quality, fire alarm and suppression, and
332.34 asbestos abatement projects under section 123B.57, subdivision 6, with an estimated cost
332.35 of \$100,000 or more per site, plus (iii) for a school district with an approved voluntary
332.36 prekindergarten program under section 124D.151, the cost approved by the commissioner

333.1 for remodeling existing instructional space to accommodate prekindergarten instruction,
 333.2 or (2) the sum of (i) the amount the district would have qualified for under Minnesota
 333.3 Statutes 2014, section 123B.57, Minnesota Statutes 2014, section 123B.59, and Minnesota
 333.4 Statutes 2014, section 123B.591-, and (ii) for a school district with an approved voluntary
 333.5 prekindergarten program under section 124D.151, the cost approved by the commissioner
 333.6 for remodeling existing instructional space to accommodate prekindergarten instruction.

333.7 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
 333.8 later.

333.9 Sec. 4. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 10,
 333.10 is amended to read:

333.11 Subd. 10. **Allowed uses for long-term facilities maintenance revenue.** (a) A
 333.12 district may use revenue under this section for any of the following:

333.13 (1) deferred capital expenditures and maintenance projects necessary to prevent
 333.14 further erosion of facilities;

333.15 (2) increasing accessibility of school facilities; ~~or~~

333.16 (3) health and safety capital projects under section 123B.57; or

333.17 (4) for violence prevention and facility security, ergonomics, or emergency
 333.18 communication devices.

333.19 (b) A charter school may use revenue under this section for any purpose related
 333.20 to the school.

333.21 Sec. 5. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 11,
 333.22 is amended to read:

333.23 Subd. 11. **Restrictions on long-term facilities maintenance revenue.**

333.24 Notwithstanding subdivision ~~11~~ 10, long-term facilities maintenance revenue may not
 333.25 be used:

333.26 (1) for the construction of new facilities, remodeling of existing facilities, or the
 333.27 purchase of portable classrooms;

333.28 (2) to finance a lease purchase agreement, installment purchase agreement, or other
 333.29 deferred payments agreement; or

333.30 (3) for energy-efficiency projects under section 123B.65, for a building or property
 333.31 or part of a building or property used for postsecondary instruction or administration, or
 333.32 for a purpose unrelated to elementary and secondary education; ~~or~~

333.33 (4) ~~for violence prevention and facility security, ergonomics, or emergency~~
 333.34 ~~communication devices.~~

334.1 Sec. 6. Laws 2015, First Special Session chapter 3, article 6, section 13, subdivision 2,
334.2 is amended to read:

334.3 Subd. 2. **Long-term maintenance equalization aid.** For long-term maintenance
334.4 equalization aid under Minnesota Statutes, section 123B.595:

334.5 \$ 0 2016

334.6 ~~52,088,000~~

334.7 \$ 52,844,000 2017

334.8 The 2017 appropriation includes \$0 for 2016 and ~~\$52,088,000~~ \$52,844,000 for 2017.

334.9 Sec. 7. Laws 2015, First Special Session chapter 3, article 9, section 8, subdivision 9,
334.10 is amended to read:

334.11 Subd. 9. **Quality Rating System.** For transfer to the commissioner of human
334.12 services for the purposes of expanding the Quality Rating and Improvement System under
334.13 Minnesota Statutes, section 124D.142, in greater Minnesota and increasing supports for
334.14 providers participating in the Quality Rating and Improvement System:

334.15 \$ 1,200,000 2016

334.16 ~~2,300,000~~

334.17 \$ 2,800,000 2017

334.18 Any balance in the first year does not cancel but is available in the second year. The
334.19 base for this program in fiscal year 2018 and later is \$1,750,000.

334.20 Sec. 8. **GENERATION CONNECT AID.**

334.21 (a) For fiscal year 2017 only, generation connect aid for a school district or charter
334.22 school equals \$10.88 times the adjusted pupil units for the school year. Aid under this
334.23 section may be used for any allowable purpose under Minnesota Statutes, section 126C.10,
334.24 subdivision 14, or Minnesota Statutes, section 124E.20, subdivision 2.

334.25 (b) One hundred percent of the aid in this section must be paid in fiscal year 2017.

334.26 Sec. 9. **APPROPRIATION.**

334.27 Subdivision 1. **Department of Education.** The sum indicated in this section is
334.28 appropriated from the general fund to the Department of Education for the fiscal year
334.29 designated.

334.30 Subd. 2. **Generation connect aid.** For generation connect aid:

334.31 \$ 10,104,000 2017

334.32 This is a onetime appropriation.

335.1 Subd. 3. Regional office of career and technical education. For a grant to
335.2 the SW/WC Service Cooperative to establish a regional office of career and technical
335.3 education:

335.4 \$ 70,000 2017

335.5 The regional office of career and technical education must:

335.6 (1) facilitate the development of highly trained and knowledgeable students who
335.7 are equipped with technical and workplace skills needed by regional employers, in
335.8 collaborative participation with three or more school districts;

335.9 (2) improve access to career and technical education programs for students who
335.10 attend sparsely populated rural school districts by developing public/private partnerships
335.11 with business and industry leaders and by increasing coordination of high school and
335.12 postsecondary program options; and

335.13 (3) increase family and student awareness of the availability and benefit of career
335.14 and technical education courses and training opportunities.

335.15 This is a onetime appropriation.

335.16 Subd. 4. Regional career and technical education advisory committee. For a
335.17 grant to the SW/WC Service Cooperative for a regional career and technical education
335.18 advisory committee:

335.19 \$ 280,000 2017

335.20 Eligible uses of this grant are:

335.21 (1) capital start-up costs for such items as determined by the committee including,
335.22 but not limited to, a mobile welding lab, medical equipment and lab, and industrial
335.23 kitchen equipment;

335.24 (2) informational materials for students, families, and residents of the region that
335.25 communicate the relationship between career and technical education programs, labor
335.26 market needs, and well-paying employment;

335.27 (3) incentive and training grants to develop career and technical education
335.28 instructors; and

335.29 (4) transportation reimbursement grants to provide equitable opportunities
335.30 throughout the region for students to participate in career and technical education.

335.31 This is a onetime appropriation.

336.1 **ARTICLE 17**336.2 **EARLY CHILDHOOD EDUCATION**

336.3 Section 1. Minnesota Statutes 2014, section 124D.135, subdivision 6, is amended to
336.4 read:

336.5 Subd. 6. **Home visiting levy revenue.** (a) A district that is eligible to levy for
336.6 early childhood family education under subdivision 3 and that enters into a collaborative
336.7 agreement to provide education services and social services to families with young
336.8 children ~~may levy an amount equal to \$1.60~~ is eligible for home visiting revenue.

336.9 (b) Total home visiting revenue for a district equals \$3 times the number of people
336.10 under five years of age residing in the district on September 1 of the last school year. Levy
336.11 Revenue under this subdivision must not be included as revenue under subdivision 1. The
336.12 revenue must be used for home visiting programs under section 124D.13, subdivision 4.

336.13 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2018 and
336.14 later.

336.15 Sec. 2. Minnesota Statutes 2014, section 124D.135, is amended by adding a
336.16 subdivision to read:

336.17 Subd. 6a. **Home visiting levy.** To obtain home visiting revenue, a district may levy
336.18 an amount not more than the product of its home visiting revenue for the fiscal year times
336.19 the lesser of one or the ratio of its adjusted net tax capacity per adjusted pupil unit to the
336.20 home visiting equalizing factor. The home visiting equalizing factor equals \$17,250 for
336.21 fiscal year 2018 and later.

336.22 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2018 and
336.23 later.

336.24 Sec. 3. Minnesota Statutes 2014, section 124D.135, is amended by adding a
336.25 subdivision to read:

336.26 Subd. 6b. **Home visiting aid.** A district's home visiting aid equals its home visiting
336.27 revenue minus its home visiting levy times the ratio of the actual amount levied to the
336.28 permitted levy.

336.29 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2018 and
336.30 later.

336.31 Sec. 4. **[124D.173] HELP ME GROW SYSTEM.**

337.1 Subdivision 1. **Purpose.** The purpose of this section is to develop and implement
337.2 a comprehensive, statewide, coordinated system of early identification, referral, and
337.3 follow-up for children, prenatal through age eight, and their families.

337.4 Subd. 2. **Establishment and administration.** The commissioner of education shall
337.5 provide funding and shall work collaboratively through interagency agreements with the
337.6 commissioners of human services and health to implement this section and maintain
337.7 annual affiliate status with the Help Me Grow National Center.

337.8 Subd. 3. **Duties.** (a) The Help Me Grow system shall coordinate sectors, including
337.9 child health, early learning and education, and family supports by:

337.10 (1) providing child health care provider outreach to support early detection,
337.11 intervention, and knowledge about local resources;

337.12 (2) identifying and providing access to detection tools used to identify young
337.13 children at risk for developmental and behavioral problems; and

337.14 (3) linking children and families to appropriate community-based services.

337.15 (b) The Help Me Grow system shall provide community outreach that includes
337.16 support for, and participation in, the Help Me Grow system, including disseminating
337.17 information on the system and compiling and maintaining a resource directory that
337.18 includes, but is not limited to:

337.19 (1) primary and specialty medical care providers;

337.20 (2) early childhood education and child care programs;

337.21 (3) developmental disabilities assessment and intervention programs;

337.22 (4) mental health services;

337.23 (5) family and social support programs;

337.24 (6) child advocacy and legal services;

337.25 (7) public health services and resources; and

337.26 (8) other appropriate early childhood information.

337.27 (c) The Help Me Grow system shall develop a centralized access point for parents
337.28 and professionals to obtain information, resources, and other support services.

337.29 (d) The Help Me Grow system shall collect data to increase understanding of all
337.30 aspects of the current and ongoing system under this section, including identification of
337.31 gaps in service, barriers to finding and receiving appropriate service, and lack of resources.

337.32 Subd. 4. **Review.** The Department of Education shall annually review and by
337.33 February 1 report to the chairs and the ranking minority members of the legislative
337.34 committees with jurisdiction over early childhood education the following:

337.35 (1) outcomes achieved by this system;

337.36 (2) alignment with overall early childhood goals and objectives; and

338.1 (3) impacts on young children.

338.2 Sec. 5. Laws 2015, First Special Session chapter 3, article 9, section 8, subdivision 7,
338.3 is amended to read:

338.4 Subd. 7. **Parent-child home program.** For a grant to the parent-child home
338.5 program:

338.6	\$	350,000	.....	2016
338.7		350,000		
338.8	\$	<u>1,350,000</u>	.....	2017

338.9 The grant must be used for an evidence-based and research-validated early
338.10 childhood literacy and school readiness program for children ages 16 months to four
338.11 years at its existing suburban program location. The program must include urban and
338.12 rural program locations for fiscal years 2016 and 2017. The base for fiscal year 2018
338.13 and later is \$1,000,000.

338.14 Sec. 6. **APPROPRIATIONS.**

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

338.18 Subd. 2. **Help Me Grow.** For implementation of the Help Me Grow system under
338.19 Minnesota Statutes, section 124D.173:

338.20	\$	<u>1,000,000</u>	<u>2017</u>
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338.21 This is a onetime appropriation.

338.22 Subd. 3. **Minnesota Learning Resource Center.** For a grant to A Chance to
338.23 Grow for the Minnesota Learning Resource Center's comprehensive training program
338.24 for education professionals charged with helping children in prekindergarten programs
338.25 through grade 3 acquire basic reading and math skills:

338.26	\$	<u>300,000</u>	<u>2017</u>
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338.27 This is a onetime appropriation.

338.28 **ARTICLE 18**

338.29 **SELF-SUFFICIENCY AND LIFELONG LEARNING**

338.30 Section 1. **AFTER-SCHOOL COMMUNITY LEARNING GRANTS.**

339.1 Subdivision 1. **Grant program established.** A competitive grant program is
339.2 established to support community-based organizations, schools, political subdivisions, or
339.3 child care centers that service young people in kindergarten through grade 12 after school
339.4 or during nonschool hours. Grants must be used to offer a broad array of enrichment
339.5 activities that promote positive youth development, including art, music, community
339.6 engagement, literacy, technology education, health, agriculture, and recreation programs.

339.7 Subd. 2. **Application.** The commissioner of education shall develop the form
339.8 and method for applying for the grants. The application must include information on
339.9 the applicant's outreach to children and youth that qualify for free or reduced-price
339.10 lunch and two-year measurable goals and activities linked to research or best practices.
339.11 The commissioner shall develop criteria for determining the allocation of the grants and
339.12 appropriate goals for the use of the grants including:

339.13 (1) increasing access to protective factors that build young people's capacity to
339.14 become productive adults, such as connections to a caring adult;

339.15 (2) developing children's skills and behaviors necessary to succeed in postsecondary
339.16 education and career opportunities; and

339.17 (3) encouraging attendance and improving performance in school.

339.18 Subd. 3. **Grant awards.** To the extent practicable, the selection of applicants
339.19 shall result in an equitable distribution of grant awards among geographic areas within
339.20 Minnesota, including rural, suburban, and urban communities. The commissioner shall
339.21 also give priority to programs that collaborate with and leverage existing community
339.22 resources that have demonstrated effectiveness.

339.23 Sec. 2. **APPROPRIATIONS.**

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

339.27 Subd. 2. **After-school community learning grants.** For after-school community
339.28 learning grants:

339.29 § 500,000 2017

339.30 Up to seven percent of the appropriation in each fiscal year may be used for
339.31 administration, evaluation, and technical assistance, including partnering with the
339.32 Minnesota Afterschool Network, Ignite Afterschool, and other appropriate entities to
339.33 ensure implementation of strategies statewide to ensure the provision of high quality,
339.34 research-driven learning opportunities.

340.1 This is a onetime appropriation.

340.2 **ARTICLE 19**

340.3 **STATE AGENCIES**

340.4 Section 1. Minnesota Statutes 2014, section 120B.115, is amended to read:

340.5 **120B.115 REGIONAL CENTERS OF EXCELLENCE.**

340.6 (a) Regional centers of excellence are established to assist and support school
340.7 boards, school districts, school sites, and charter schools in implementing research-based
340.8 interventions and practices to increase the students' achievement within a region.

340.9 The centers must develop partnerships with local and regional service cooperatives,
340.10 postsecondary institutions, integrated school districts, the department, children's mental
340.11 health providers, or other local or regional entities interested in providing a cohesive
340.12 and consistent regional delivery system that serves all schools equitably. Centers must
340.13 assist school districts, school sites, and charter schools in developing similar partnerships.
340.14 Center support may include assisting school districts, school sites, and charter schools
340.15 with common principles of effective practice, including:

340.16 (1) defining measurable education goals under sections 120B.022, subdivisions 1a
340.17 and 1b, and 120B.11, subdivision 2;

340.18 (2) implementing evidence-based practices, including applied and experiential
340.19 learning, contextualized learning, competency-based curricula and assessments, and other
340.20 nontraditional learning opportunities, among other practices;

340.21 (3) engaging in data-driven decision-making;

340.22 (4) providing multilayered levels of support;

340.23 (5) supporting culturally responsive teaching and learning aligning the development
340.24 of academic English proficiency, state and local academic standards, and career and
340.25 college readiness benchmarks;

340.26 (6) engaging parents, families, youth, and local community members in programs
340.27 and activities at the school district, school site, or charter school that foster collaboration
340.28 and shared accountability for the achievement of all students; and

340.29 (7) translating district forms and other information such as a multilingual glossary of
340.30 commonly used education terms and phrases.

340.31 Centers must work with school site leadership teams to build the expertise and experience
340.32 to implement programs that close the achievement gap, provide effective and differentiated
340.33 programs and instruction for different types of English learners, including English learners
340.34 with limited or interrupted formal schooling and long-term English learners under section

341.1 124D.59, subdivisions 2 and 2a, increase students' progress and growth toward career and
341.2 college readiness, and increase student graduation rates.

341.3 (b) The department must assist the regional centers of excellence to meet staff,
341.4 facilities, and technical needs, provide the centers with programmatic support, and work
341.5 with the centers to establish a coherent statewide system of regional support, including
341.6 consulting, training, and technical support, to help school boards, school districts, school
341.7 sites, and charter schools effectively and efficiently implement the world's best workforce
341.8 goals under section 120B.11 and other state and federal education initiatives, including
341.9 secondary and postsecondary career pathways and technical education.

341.10 (c) The department must employ a literacy/dyslexia specialist at one regional
341.11 center to be determined by the commissioner, and a literacy/dyslexia specialist at the
341.12 department, to provide technical assistance for dyslexia and related disorders and to
341.13 serve as the primary source of information and support for schools in addressing the
341.14 needs of students with dyslexia and related disorders. The literacy/dyslexia specialist
341.15 shall also act to increase professional awareness and instructional competencies. For
341.16 purposes of this paragraph, a literacy/dyslexia specialist is a dyslexia therapist, licensed
341.17 psychologist, certified psychometrist, licensed speech-language pathologist, or certified
341.18 dyslexia training specialist who has a minimum of three years of field experience in
341.19 screening, identifying, and treating dyslexia and related disorders. A literacy/dyslexia
341.20 specialist shall be highly trained in dyslexia and related disorders, and in using scientific,
341.21 evidence-based interventions and treatment, which incorporate multisensory, systematic,
341.22 sequential teaching strategies in the areas of phonics, phonemic awareness, vocabulary,
341.23 fluency, and comprehension.

341.24 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and
341.25 later.

341.26 Sec. 2. **[122A.34] CERTIFICATE OF ADVANCED PROFESSIONAL STUDY.**

341.27 (a) The Board of Teaching shall adopt rules for a process for approving certificates
341.28 of advanced professional study. A certificate of advanced professional study is a credential
341.29 available only to a teacher with a full license in at least one discipline that allows for
341.30 teaching without further waiver or variance when a licensure program in the discipline
341.31 does not exist in Minnesota, or when a teacher with a full license in the discipline cannot
341.32 be found. The certificate of advanced professional study must:

341.33 (1) have fewer requirements than the full license in the discipline;

341.34 (2) set the specific qualifications required to attain it; and

341.35 (3) maintain professional standards for teaching in that discipline.

342.1 (b) The rules adopted under paragraph (a) must limit certificates of advanced
 342.2 professional study to:

342.3 (1) disciplines in which at least one geographic area of the state has a demonstrated
 342.4 shortage of fully licensed teachers; and

342.5 (2) emerging disciplines where full licenses or licensure programs do not exist
 342.6 in Minnesota.

342.7 Sec. 3. Laws 2015, First Special Session chapter 3, article 12, section 4, subdivision 2,
 342.8 is amended to read:

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

342.10		21,246,000		
342.11	\$	<u>21,276,000</u>	.....	2016
342.12		21,973,000		
342.13	\$	<u>28,584,000</u>	.....	2017

342.14 Of these amounts:

342.15 (1) ~~\$718,000 each year~~ \$748,000 in fiscal year 2016 and zero in fiscal year 2017 is
 342.16 for the Board of Teaching. Any balance in the first year does not cancel, but is available
 342.17 in the second year;

342.18 (2) \$228,000 in fiscal year 2016 and \$231,000 in fiscal year 2017 are for the Board
 342.19 of School Administrators;

342.20 (3) \$1,000,000 each year is for Regional Centers of Excellence under Minnesota
 342.21 Statutes, section 120B.115;

342.22 (4) \$500,000 each year is for the School Safety Technical Assistance Center under
 342.23 Minnesota Statutes, section 127A.052;

342.24 (5) \$250,000 each year is for the School Finance Division to enhance financial
 342.25 data analysis; ~~and~~

342.26 (6) \$441,000 in fiscal year 2016 and \$720,000 in fiscal year 2017 is for implementing
 342.27 Laws 2014, chapter 272, article 1, Minnesota's Learning for English Academic Proficiency
 342.28 and Success Act, as amended;

342.29 (7) \$2,750,000 in fiscal year 2017 only is for implementation of schoolwide
 342.30 Positive Behavioral Interventions and Supports (PBIS) in schools and districts throughout
 342.31 Minnesota to reduce the use of restrictive procedures and increase use of positive
 342.32 practices. This is a onetime appropriation;

342.33 (8) \$2,750,000 in fiscal year 2017 only is for Department of Education information
 342.34 technology enhancements and security. This is a onetime appropriation;

342.35 (9) \$250,000 in fiscal year 2017 and later is for employing literacy/dyslexia
 342.36 specialists under Minnesota Statutes, section 120B.115, paragraph (c). The commissioner

343.1 must employ a literacy/dyslexia specialist at the department as soon as practicable, but
343.2 no later than September 1, 2016. The commissioner must employ the literacy/dyslexia
343.3 specialist at one or more regional centers no later than January 1, 2017; and

343.4 (10) \$200,000 in fiscal year 2017 only is for the Children's Cabinet system redesign
343.5 report to the legislature. This is a onetime appropriation.

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

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

343.9 (d) The expenditures of federal grants and aids as shown in the biennial budget
343.10 document and its supplements are approved and appropriated and shall be spent as
343.11 indicated.

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

343.17 (f) The agency's base budget in fiscal year 2018 is ~~\$21,973,000~~ \$22,371,000. The
343.18 ~~agency's base budget in fiscal year 2019 is \$21,948,000.~~

343.19 **Sec. 4. SYSTEM REDESIGN; HOMELESS CHILDREN SUPPORTS.**

343.20 (a) The Children's Cabinet must create a plan for a cross-agency system that provides
343.21 support for a family that is homeless, especially with children up to four years of age, to
343.22 access available services. The Children's Cabinet shall create the plan in consultation
343.23 with the Department of Education, the Department of Human Services, the Department
343.24 of Health, the Minnesota Housing Finance Agency, and stakeholders including counties,
343.25 school districts, and nonprofits. The redesigned system must address issues including:

343.26 (1) implementation methodology that addresses differences in service delivery in
343.27 rural versus urban settings;

343.28 (2) a training pipeline to increase qualified staff for service providers, including
343.29 staff of color;

343.30 (3) statewide entry and intake forms to assess and identify the educational and
343.31 developmental needs of the child;

343.32 (4) a support plan that follows the child even after the child is no longer homeless;

343.33 (5) a common data system that allows for easier sharing of data and the plan
343.34 components for each child between local entities;

343.35 (6) identifying and supporting a community outreach system;

344.1 (7) personalizing assistance for a child who is homeless and the child's family to
 344.2 help the child and the family navigate systems and resources;

344.3 (8) transportation options to access services; and

344.4 (9) methods to ensure that all state-funded programs and services for a child who is
 344.5 homeless are adequately staffed with personnel who are trained on the specifics of the
 344.6 program and receive professional development to handle complex, intergenerational
 344.7 trauma.

344.8 (b) The Children's Cabinet must report findings and recommendations regarding
 344.9 the plan, along with draft legislation, to the chairs and ranking minority members of
 344.10 the legislative committees having jurisdiction over early childhood through grade 12
 344.11 education, housing, and human services policy by January 23, 2017.

344.12 **Sec. 5. APPROPRIATIONS; BOARD OF TEACHING.**

344.13 (a) The sums indicated in this section are appropriated from the general fund to the
 344.14 Board of Teaching for the fiscal years designated:

344.15 \$ 1,500,000 2017

344.16 Of these amounts:

344.17 (1) \$302,000 in fiscal year 2017 is for implementation of certificates of advanced
 344.18 professional study. The base appropriation in fiscal year 2018 and thereafter is \$50,000
 344.19 each year;

344.20 (2) \$150,000 in fiscal year 2017 only is for Excellence in Teaching incentive grants.
 344.21 This is a onetime appropriation and is available until expended; and

344.22 (3) \$80,000 in fiscal year 2017 and later is for a contract for an electronic statewide
 344.23 school teacher and administrator job board. The job board must allow school districts
 344.24 to post job openings for prekindergarten through grade 12 teaching and administrative
 344.25 positions. Notwithstanding Minnesota Statutes, section 16E.0466, the board is not
 344.26 required to consult with the Office of MN.IT Services nor transfer any of this appropriation
 344.27 to the Office of MN.IT Services.

344.28 (b) This appropriation includes funds for information technology project services
 344.29 and support subject to Minnesota Statutes, section 16E.0466. Any ongoing information
 344.30 technology costs will be incorporated into an interagency agreement and will be paid to
 344.31 the Office of MN.IT Services by the Board of Teaching under the mechanism specified
 344.32 in that agreement.

344.33 (c) The board's base budget for fiscal year 2018 and later is \$1,098,000.

345.1

ARTICLE 20

345.2

FORECAST ADJUSTMENTS

345.3

A. GENERAL EDUCATION

345.4

Section 1. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision

345.5

4, is amended to read:

345.6

Subd. 4. **Abatement revenue.** For abatement aid under Minnesota Statutes, section

345.7

127A.49:

345.8

~~2,740,000~~

345.9

\$ 3,051,000 2016

345.10

~~2,932,000~~

345.11

\$ 3,425,000 2017

345.12

The 2016 appropriation includes \$278,000 for 2015 and ~~\$2,462,000~~ \$2,773,000

345.13

for 2016.

345.14

The 2017 appropriation includes ~~\$273,000~~ \$308,000 for 2016 and ~~\$2,659,000~~

345.15

\$3,117,000 for 2017.

345.16

Sec. 2. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision 5,

345.17

is amended to read:

345.18

Subd. 5. **Consolidation transition.** For districts consolidating under Minnesota

345.19

Statutes, section 123A.485:

345.20

~~292,000~~

345.21

\$ 22,000 2016

345.22

~~165,000~~

345.23

\$ 0 2017

345.24

The 2016 appropriation includes \$22,000 for 2015 and ~~\$270,000~~ \$0 for 2016.

345.25

The 2017 appropriation includes ~~\$30,000~~ \$0 for 2016 and ~~\$135,000~~ \$0 for 2017.

345.26

Sec. 3. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision 6,

345.27

is amended to read:

345.28

Subd. 6. **Nonpublic pupil education aid.** For nonpublic pupil education aid under

345.29

Minnesota Statutes, sections 123B.40 to 123B.43 and 123B.87:

345.30

~~16,881,000~~

345.31

\$ 16,759,000 2016

345.32

~~17,460,000~~

345.33

\$ 17,235,000 2017

346.1 The 2016 appropriation includes \$1,575,000 for 2015 and ~~\$15,306,000~~ \$15,184,000
346.2 for 2016.

346.3 The 2017 appropriation includes ~~\$1,700,000~~ \$1,687,000 for 2016 and ~~\$15,760,000~~
346.4 \$15,548,000 for 2017.

346.5 Sec. 4. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision 7,
346.6 is amended to read:

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

346.9 ~~17,654,000~~
346.10 \$ 17,673,000 2016

346.11 ~~17,792,000~~
346.12 \$ 18,103,000 2017

346.13 The 2016 appropriation includes \$1,816,000 for 2015 and ~~\$15,838,000~~ \$15,857,000
346.14 for 2016.

346.15 The 2017 appropriation includes ~~\$1,759,000~~ \$1,761,000 for 2016 and ~~\$16,033,000~~
346.16 \$16,342,000 for 2017.

346.17 Sec. 5. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision 9,
346.18 is amended to read:

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

346.21 ~~5,420,000~~
346.22 \$ 5,922,000 2016

346.23 ~~4,405,000~~
346.24 \$ 4,262,000 2017

346.25 The 2016 appropriation includes \$574,000 for 2015 and ~~\$4,846,000~~ \$5,348,000
346.26 for 2016.

346.27 The 2017 appropriation includes ~~\$538,000~~ \$517,000 for 2016 and ~~\$3,867,000~~
346.28 \$3,745,000 for 2017.

346.29 **B. EDUCATION EXCELLENCE**

346.30 Sec. 6. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision 4,
346.31 is amended to read:

346.32 Subd. 4. **Literacy incentive aid.** For literacy incentive aid under Minnesota
346.33 Statutes, section 124D.98:

347.1 ~~44,552,000~~
 347.2 \$ 44,538,000 2016
 347.3 ~~45,508,000~~
 347.4 \$ 45,855,000 2017

347.5 The 2016 appropriation includes \$4,683,000 for 2015 and ~~\$39,869,000~~ \$39,855,000
 347.6 for 2016.

347.7 The 2017 appropriation includes ~~\$4,429,000~~ \$4,428,000 for 2016 and ~~\$41,079,000~~
 347.8 \$41,427,000 for 2017.

347.9 Sec. 7. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision 5,
 347.10 is amended to read:

347.11 Subd. 5. **Interdistrict desegregation or integration transportation grants.** For
 347.12 interdistrict desegregation or integration transportation grants under Minnesota Statutes,
 347.13 section 124D.87:

347.14 ~~15,023,000~~
 347.15 \$ 14,423,000 2016
 347.16 ~~15,825,000~~
 347.17 \$ 15,193,000 2017

347.18 Sec. 8. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision 7,
 347.19 is amended to read:

347.20 Subd. 7. **Tribal contract schools.** For tribal contract school aid under Minnesota
 347.21 Statutes, section 124D.83:

347.22 ~~4,340,000~~
 347.23 \$ 3,539,000 2016
 347.24 ~~5,090,000~~
 347.25 \$ 3,715,000 2017

347.26 The 2016 appropriation includes \$204,000 for 2015 and ~~\$4,136,000~~ \$3,335,000
 347.27 for 2016.

347.28 The 2017 appropriation includes ~~\$459,000~~ \$370,000 for 2016 and ~~\$4,631,000~~
 347.29 \$3,345,000 for 2017.

347.30 Sec. 9. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision
 347.31 11, is amended to read:

347.32 Subd. 11. **American Indian education aid.** For American Indian education aid
 347.33 under Minnesota Statutes, section 124D.81, subdivision 2a:

349.1 Subd. 3. **Debt service equalization.** For debt service aid according to Minnesota
349.2 Statutes, section 123B.53, subdivision 6:

349.3 \$ 20,349,000 2016

349.4 ~~22,171,000~~

349.5 \$ 22,926,000 2017

349.6 The 2016 appropriation includes \$2,295,000 for 2015 and \$18,054,000 for 2016.

349.7 The 2017 appropriation includes \$2,005,000 for 2016 and ~~\$20,166,000~~ \$20,921,000
349.8 for 2017.

349.9 Sec. 13. Laws 2015, First Special Session chapter 3, article 6, section 13, subdivision
349.10 6, is amended to read:

349.11 Subd. 6. **Deferred maintenance aid.** For deferred maintenance aid, according to
349.12 Minnesota Statutes, section 123B.591, subdivision 4:

349.13 ~~3,520,000~~

349.14 \$ 3,523,000 2016

349.15 \$ 345,000 2017

349.16 The 2016 appropriation includes \$409,000 for 2015 and ~~\$3,111,000~~ \$3,114,000
349.17 for 2016.

349.18 The 2017 appropriation includes \$345,000 for 2016 and \$0 for 2017.

349.19 Sec. 14. Laws 2015, First Special Session chapter 3, article 6, section 13, subdivision
349.20 7, is amended to read:

349.21 Subd. 7. **Health and safety revenue.** For health and safety aid according to
349.22 Minnesota Statutes, section 123B.57, subdivision 5:

349.23 ~~501,000~~

349.24 \$ 588,000 2016

349.25 ~~48,000~~

349.26 \$ 57,000 2017

349.27 The 2016 appropriation includes \$66,000 for 2015 and ~~\$435,000~~ \$522,000 for 2016.

349.28 The 2017 appropriation includes ~~\$48,000~~ \$57,000 for 2016 and \$0 for 2017.

349.29 E. NUTRITION

349.30 Sec. 15. Laws 2015, First Special Session chapter 3, article 7, section 7, subdivision 4,
349.31 is amended to read:

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

352.1 maximum payment to a provider for one day of care must not exceed the daily rate. The
352.2 maximum payment to a provider for one week of care must not exceed the weekly rate.

352.3 (d) Child care providers receiving reimbursement under this chapter must not be
352.4 paid activity fees or an additional amount above the maximum rates for care provided
352.5 during nonstandard hours for families receiving assistance.

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

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

352.11 (g) Notwithstanding Minnesota Rules, part 3400.0130, subpart 7, maximum
352.12 registration fees in effect on January 1, 2013, shall remain in effect.

352.13 Sec. 2. Minnesota Statutes 2014, section 145.4716, subdivision 2, is amended to read:

352.14 Subd. 2. **Duties of director.** The director of child sex trafficking prevention is
352.15 responsible for the following:

352.16 (1) developing and providing comprehensive training on sexual exploitation of
352.17 youth for social service professionals, medical professionals, public health workers, and
352.18 criminal justice professionals;

352.19 (2) collecting, organizing, maintaining, and disseminating information on sexual
352.20 exploitation and services across the state, including maintaining a list of resources on the
352.21 Department of Health Web site;

352.22 (3) monitoring and applying for federal funding for antitrafficking efforts that may
352.23 benefit victims in the state;

352.24 (4) managing grant programs established under sections 145.4716 to 145.4718,
352.25 and 609.3241, paragraph (c), clause (3);

352.26 (5) managing the request for proposals for grants for comprehensive services,
352.27 including trauma-informed, culturally specific services;

352.28 (6) identifying best practices in serving sexually exploited youth, as defined in
352.29 section 260C.007, subdivision 31;

352.30 (7) providing oversight of and technical support to regional navigators pursuant to
352.31 section 145.4717;

352.32 (8) conducting a comprehensive evaluation of the statewide program for safe harbor
352.33 of sexually exploited youth; and

353.1 (9) developing a policy consistent with the requirements of chapter 13 for sharing
353.2 data related to sexually exploited youth, as defined in section 260C.007, subdivision 31,
353.3 among regional navigators and community-based advocates.

353.4 Sec. 3. Minnesota Statutes 2014, section 145.4716, is amended by adding a subdivision
353.5 to read:

353.6 Subd. 3. **Youth eligible for services.** Youth 24 years of age or younger shall be
353.7 eligible for all services, support, and programs provided under this section and section
353.8 145.4717, and all shelter, housing beds, and services provided by the commissioner of
353.9 human services to sexually exploited youth and youth at risk of sexual exploitation.

353.10 Sec. 4. Minnesota Statutes 2014, section 245A.10, subdivision 2, is amended to read:

353.11 **Subd. 2. County fees for background studies and licensing inspections.** (a)
353.12 Before the implementation of NETStudy 2.0, for purposes of family and group family
353.13 child care licensing under this chapter, a county agency may charge a fee to an applicant
353.14 or license holder to recover the actual cost of background studies, but in any case not to
353.15 exceed \$100 annually. A county agency may also charge a license fee to an applicant or
353.16 license holder not to exceed \$50 for a one-year license or \$100 for a two-year license.

353.17 (b) Before the implementation of NETStudy 2.0, a county agency may charge a fee
353.18 to a legal nonlicensed child care provider or applicant for authorization to recover the
353.19 actual cost of background studies completed under section 119B.125, but in any case not
353.20 to exceed \$100 annually.

353.21 (c) Counties may elect to reduce or waive the fees in paragraph (a) or (b):

353.22 (1) in cases of financial hardship;

353.23 (2) if the county has a shortage of providers in the county's area;

353.24 (3) for new providers; or

353.25 (4) for providers who have attained at least 16 hours of training before seeking
353.26 initial licensure.

353.27 (d) Counties may allow providers to pay the applicant fees in paragraph (a) or (b) on
353.28 an installment basis for up to one year. If the provider is receiving child care assistance
353.29 payments from the state, the provider may have the fees under paragraph (a) or (b)
353.30 deducted from the child care assistance payments for up to one year and the state shall
353.31 reimburse the county for the county fees collected in this manner.

353.32 (e) For purposes of adult foster care and child foster care licensing, and licensing
353.33 the physical plant of a community residential setting, under this chapter, a county agency

354.1 may charge a fee to a corporate applicant or corporate license holder to recover the actual
354.2 cost of licensing inspections, not to exceed \$500 annually.

354.3 (f) Counties may elect to reduce or waive the fees in paragraph (e) under the
354.4 following circumstances:

354.5 (1) in cases of financial hardship;

354.6 (2) if the county has a shortage of providers in the county's area; or

354.7 (3) for new providers.

354.8 Sec. 5. Minnesota Statutes 2014, section 245C.03, is amended by adding a subdivision
354.9 to read:

354.10 Subd. 6a. **Nonlicensed child care programs.** Beginning October 1, 2017, the
354.11 commissioner shall conduct background studies on any individual required under section
354.12 119B.125 to have a background study completed under this chapter.

354.13 Sec. 6. Minnesota Statutes 2014, section 245C.04, subdivision 1, is amended to read:

354.14 Subdivision 1. **Licensed programs.** (a) The commissioner shall conduct a
354.15 background study of an individual required to be studied under section 245C.03,
354.16 subdivision 1, at least upon application for initial license for all license types.

354.17 (b) Effective October 1, 2017, the commissioner shall conduct a background study
354.18 of an individual ~~required to be studied~~ specified under section 245C.03, ~~subdivision 1,~~
354.19 ~~who is newly affiliated with the license holder. at reapplication for a license for family~~
354.20 ~~child care.~~ From October 1, 2017, to September 30, 2019, the commissioner shall conduct
354.21 a background study of individuals required to be studied under section 245C.03, at the
354.22 time of reapplication for a family child care license.

354.23 (1) The individual shall provide information required under section 245C.05,
354.24 subdivision 1, paragraphs (a), (b), and (d), to the county agency.

354.25 (2) The county agency shall provide the commissioner with the information received
354.26 under clause (1) to complete the background study.

354.27 (3) The background study conducted by the commissioner under this paragraph must
354.28 include a review of the information required under section 245C.08.

354.29 (c) The commissioner is not required to conduct a study of an individual at the time
354.30 of reapplication for a license if the individual's background study was completed by the
354.31 commissioner of human services and the following conditions are met:

354.32 (1) a study of the individual was conducted either at the time of initial licensure or
354.33 when the individual became affiliated with the license holder;

355.1 (2) the individual has been continuously affiliated with the license holder since
355.2 the last study was conducted; and

355.3 (3) the last study of the individual was conducted on or after October 1, 1995.

355.4 (d) The commissioner of human services shall conduct a background study of an
355.5 individual specified under section 245C.03, subdivision 1, paragraph (a), clauses (2)
355.6 to (6), who is newly affiliated with a child foster care license holder. The county or
355.7 private agency shall collect and forward to the commissioner the information required
355.8 under section 245C.05, subdivisions 1 and 5. The background study conducted by the
355.9 commissioner of human services under this paragraph must include a review of the
355.10 information required under section 245C.08, subdivisions 1, 3, and 4.

355.11 (e) The commissioner shall conduct a background study of an individual specified
355.12 under section 245C.03, subdivision 1, paragraph (a), clauses (2) to (6), who is newly
355.13 affiliated with an adult foster care or family adult day services and effective October 1,
355.14 2017, with a family child care license holder or a legal nonlicensed child care provider
355.15 authorized under chapter 119B: (1) the county shall collect and forward to the commissioner
355.16 the information required under section 245C.05, subdivision 1, paragraphs (a) and (b), and
355.17 subdivision 5, paragraphs (a) ~~and~~ (b), and (d), for background studies conducted by the
355.18 commissioner for all family adult day services ~~and~~ for adult foster care when the adult
355.19 foster care license holder resides in the adult foster care residence, and for family child care
355.20 and legal nonlicensed child care authorized under chapter 119B; (2) the license holder shall
355.21 collect and forward to the commissioner the information required under section 245C.05,
355.22 subdivisions 1, paragraphs (a) and (b); and 5, paragraphs (a) and (b), for background
355.23 studies conducted by the commissioner for adult foster care when the license holder does
355.24 not reside in the adult foster care residence; and (3) the background study conducted by
355.25 the commissioner under this paragraph must include a review of the information required
355.26 under section 245C.08, subdivision 1, paragraph (a), and subdivisions 3 and 4.

355.27 (f) Applicants for licensure, license holders, and other entities as provided in this
355.28 chapter must submit completed background study requests to the commissioner using the
355.29 electronic system known as NETStudy before individuals specified in section 245C.03,
355.30 subdivision 1, begin positions allowing direct contact in any licensed program.

355.31 (g) For an individual who is not on the entity's active roster, the entity must initiate a
355.32 new background study through NETStudy when:

355.33 (1) an individual returns to a position requiring a background study following an
355.34 absence of 120 or more consecutive days; or

355.35 (2) a program that discontinued providing licensed direct contact services for 120 or
355.36 more consecutive days begins to provide direct contact licensed services again.

356.1 The license holder shall maintain a copy of the notification provided to
356.2 the commissioner under this paragraph in the program's files. If the individual's
356.3 disqualification was previously set aside for the license holder's program and the new
356.4 background study results in no new information that indicates the individual may pose a
356.5 risk of harm to persons receiving services from the license holder, the previous set-aside
356.6 shall remain in effect.

356.7 (h) For purposes of this section, a physician licensed under chapter 147 is considered
356.8 to be continuously affiliated upon the license holder's receipt from the commissioner of
356.9 health or human services of the physician's background study results.

356.10 (i) For purposes of family child care, a substitute caregiver must receive repeat
356.11 background studies at the time of each license renewal.

356.12 (j) A repeat background study at the time of license renewal is not required if the
356.13 substitute caregiver's background study was completed by the commissioner on or after
356.14 October 1, 2017, and the substitute caregiver is on the license holder's active roster
356.15 in NETStudy 2.0.

356.16 Sec. 7. Minnesota Statutes 2014, section 245C.05, subdivision 2b, is amended to read:

356.17 Subd. 2b. **County agency to collect and forward information to commissioner.**

356.18 (a) For background studies related to all family adult day services and to adult foster care
356.19 when the adult foster care license holder resides in the adult foster care residence, the
356.20 county agency must collect the information required under subdivision 1 and forward it to
356.21 the commissioner.

356.22 (b) Effective October 1, 2017, for background studies related to family child care
356.23 and legal nonlicensed child care authorized under chapter 119B, the county agency must
356.24 collect the information required under subdivision 1 and provide it to the commissioner.

356.25 Sec. 8. Minnesota Statutes 2014, section 245C.05, subdivision 4, is amended to read:

356.26 Subd. 4. **Electronic transmission.** (a) For background studies conducted by the
356.27 Department of Human Services, the commissioner shall implement a secure system for the
356.28 electronic transmission of:

356.29 (1) background study information to the commissioner;

356.30 (2) background study results to the license holder;

356.31 (3) background study results to county and private agencies for background studies
356.32 conducted by the commissioner for child foster care; and

357.1 (4) background study results to county agencies for background studies conducted by
357.2 the commissioner for adult foster care and family adult day services and, effective October
357.3 1, 2017, family child care and legal nonlicensed child care authorized under chapter 119B.

357.4 (b) Unless the commissioner has granted a hardship variance under paragraph (c),
357.5 a license holder or an applicant must use the electronic transmission system known
357.6 as NETStudy or NETStudy 2.0 to submit all requests for background studies to the
357.7 commissioner as required by this chapter.

357.8 (c) A license holder or applicant whose program is located in an area in which
357.9 high-speed Internet is inaccessible may request the commissioner to grant a variance to
357.10 the electronic transmission requirement.

357.11 Sec. 9. Minnesota Statutes 2014, section 245C.05, subdivision 7, is amended to read:

357.12 Subd. 7. **Probation officer and corrections agent.** (a) A probation officer or
357.13 corrections agent shall notify the commissioner of an individual's conviction if the
357.14 individual:

357.15 (1) has been affiliated with a program or facility regulated by the Department of
357.16 Human Services or Department of Health, a facility serving children or youth licensed by
357.17 the Department of Corrections, or any type of home care agency or provider of personal
357.18 care assistance services within the preceding year; and

357.19 (2) has been convicted of a crime constituting a disqualification under section
357.20 245C.14.

357.21 (b) For the purpose of this subdivision, "conviction" has the meaning given it
357.22 in section 609.02, subdivision 5.

357.23 (c) The commissioner, in consultation with the commissioner of corrections, shall
357.24 develop forms and information necessary to implement this subdivision and shall provide
357.25 the forms and information to the commissioner of corrections for distribution to local
357.26 probation officers and corrections agents.

357.27 (d) The commissioner shall inform individuals subject to a background study that
357.28 criminal convictions for disqualifying crimes ~~will~~ shall be reported to the commissioner
357.29 by the corrections system.

357.30 (e) A probation officer, corrections agent, or corrections agency is not civilly or
357.31 criminally liable for disclosing or failing to disclose the information required by this
357.32 subdivision.

357.33 (f) Upon receipt of disqualifying information, the commissioner shall provide the
357.34 notice required under section 245C.17, as appropriate, to agencies on record as having

358.1 initiated a background study or making a request for documentation of the background
358.2 study status of the individual.

358.3 (g) This subdivision does not apply to family child care programs for individuals
358.4 whose background study was completed in NETStudy 2.0.

358.5 Sec. 10. Minnesota Statutes 2015 Supplement, section 245C.08, subdivision 1, is
358.6 amended to read:

358.7 Subdivision 1. **Background studies conducted by Department of Human**
358.8 **Services.** (a) For a background study conducted by the Department of Human Services,
358.9 including background studies conducted effective October 1, 2017, on legal nonlicensed
358.10 child care providers authorized under chapter 119B, the commissioner shall review:

358.11 (1) information related to names of substantiated perpetrators of maltreatment of
358.12 vulnerable adults that has been received by the commissioner as required under section
358.13 626.557, subdivision 9c, paragraph (j);

358.14 (2) the commissioner's records relating to the maltreatment of minors in licensed
358.15 programs, and from findings of maltreatment of minors as indicated through the social
358.16 service information system;

358.17 (3) information from juvenile courts as required in subdivision 4 for individuals
358.18 listed in section 245C.03, subdivision 1, paragraph (a), when there is reasonable cause;

358.19 (4) information from the Bureau of Criminal Apprehension, including information
358.20 regarding a background study subject's registration in Minnesota as a predatory offender
358.21 under section 243.166;

358.22 (5) except as provided in clause (6), information from the national crime information
358.23 system when the commissioner has reasonable cause as defined under section 245C.05,
358.24 subdivision 5, or as required under section 144.057, subdivision 1, clause (2); and

358.25 (6) for a background study related to a child foster care application for licensure, a
358.26 transfer of permanent legal and physical custody of a child under sections 260C.503 to
358.27 260C.515, or adoptions, the commissioner shall also review:

358.28 (i) information from the child abuse and neglect registry for any state in which the
358.29 background study subject has resided for the past five years; and

358.30 (ii) information from national crime information databases, when the background
358.31 study subject is 18 years of age or older.

358.32 (b) Notwithstanding expungement by a court, the commissioner may consider
358.33 information obtained under paragraph (a), clauses (3) and (4), unless the commissioner
358.34 received notice of the petition for expungement and the court order for expungement is
358.35 directed specifically to the commissioner.

359.1 (c) The commissioner shall also review criminal case information received according
359.2 to section 245C.04, subdivision 4a, from the Minnesota court information system that
359.3 relates to individuals who have already been studied under this chapter and who remain
359.4 affiliated with the agency that initiated the background study.

359.5 (d) When the commissioner has reasonable cause to believe that the identity of
359.6 a background study subject is uncertain, the commissioner may require the subject to
359.7 provide a set of classifiable fingerprints for purposes of completing a fingerprint-based
359.8 record check with the Bureau of Criminal Apprehension. Fingerprints collected under this
359.9 paragraph shall not be saved by the commissioner after they have been used to verify the
359.10 identity of the background study subject against the particular criminal record in question.

359.11 (e) The commissioner may inform the entity that initiated a background study under
359.12 NETStudy 2.0 of the status of processing of the subject's fingerprints.

359.13 Sec. 11. Minnesota Statutes 2014, section 245C.08, subdivision 2, is amended to read:

359.14 Subd. 2. **Background studies conducted by a county agency for family child**
359.15 **care.** (a) Prior to the implementation of NETStudy 2.0, for a background study studies
359.16 conducted by a county agency for family child care services, including background studies
359.17 conducted in connection with legal nonlicensed child care authorized under chapter 119B,
359.18 the commissioner shall review:

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

359.21 (2) information from juvenile courts as required in subdivision 4 for:

359.22 (i) individuals listed in section 245C.03, subdivision 1, paragraph (a), who are ages
359.23 13 through 23 living in the household where the licensed services will be provided; and

359.24 (ii) any other individual listed under section 245C.03, subdivision 1, when there
359.25 is reasonable cause; and

359.26 (3) information from the Bureau of Criminal Apprehension.

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

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

359.34 Sec. 12. Minnesota Statutes 2014, section 245C.08, subdivision 4, is amended to read:

360.1 Subd. 4. **Juvenile court records.** (a) For a background study conducted by the
360.2 Department of Human Services, the commissioner shall review records from the juvenile
360.3 courts for an individual studied under section 245C.03, subdivision 1, paragraph (a), when
360.4 the commissioner has reasonable cause.

360.5 (b) For a background study conducted by a county agency for family child care prior
360.6 to the implementation of NETStudy 2.0, the commissioner shall review records from the
360.7 juvenile courts for individuals listed in section 245C.03, subdivision 1, who are ages 13
360.8 through 23 living in the household where the licensed services will be provided. The
360.9 commissioner shall also review records from juvenile courts for any other individual listed
360.10 under section 245C.03, subdivision 1, when the commissioner has reasonable cause.

360.11 (c) The juvenile courts shall help with the study by giving the commissioner existing
360.12 juvenile court records relating to delinquency proceedings held on individuals described in
360.13 section 245C.03, subdivision 1, paragraph (a), when requested pursuant to this subdivision.

360.14 (d) For purposes of this chapter, a finding that a delinquency petition is proven in
360.15 juvenile court shall be considered a conviction in state district court.

360.16 (e) Juvenile courts shall provide orders of involuntary and voluntary termination of
360.17 parental rights under section 260C.301 to the commissioner upon request for purposes of
360.18 conducting a background study under this chapter.

360.19 Sec. 13. Minnesota Statutes 2014, section 245C.11, subdivision 3, is amended to read:

360.20 Subd. 3. **Criminal history data.** County agencies shall have access to the criminal
360.21 history data in the same manner as county licensing agencies under this chapter for
360.22 purposes of background studies completed prior to the implementation of NETStudy 2.0
360.23 by county agencies on legal nonlicensed child care providers to determine eligibility
360.24 for child care funds under chapter 119B.

360.25 Sec. 14. Minnesota Statutes 2014, section 245C.17, subdivision 6, is amended to read:

360.26 Subd. 6. **Notice to county agency.** For studies on individuals related to a license to
360.27 provide adult foster care and family adult day services and, effective October 1, 2017,
360.28 family child care and legal nonlicensed child care authorized under chapter 119B, the
360.29 commissioner shall also provide a notice of the background study results to the county
360.30 agency that initiated the background study.

360.31 Sec. 15. Minnesota Statutes 2014, section 245C.23, subdivision 2, is amended to read:

360.32 Subd. 2. **Commissioner's notice of disqualification that is not set aside.** (a) The
360.33 commissioner shall notify the license holder of the disqualification and order the license

361.1 holder to immediately remove the individual from any position allowing direct contact
361.2 with persons receiving services from the license holder if:

361.3 (1) the individual studied does not submit a timely request for reconsideration
361.4 under section 245C.21;

361.5 (2) the individual submits a timely request for reconsideration, but the commissioner
361.6 does not set aside the disqualification for that license holder under section 245C.22, unless
361.7 the individual has a right to request a hearing under section 245C.27, 245C.28, or 256.045;

361.8 (3) an individual who has a right to request a hearing under sections 245C.27 and
361.9 256.045, or 245C.28 and chapter 14 for a disqualification that has not been set aside, does
361.10 not request a hearing within the specified time; or

361.11 (4) an individual submitted a timely request for a hearing under sections 245C.27
361.12 and 256.045, or 245C.28 and chapter 14, but the commissioner does not set aside the
361.13 disqualification under section 245A.08, subdivision 5, or 256.045.

361.14 (b) If the commissioner does not set aside the disqualification under section 245C.22,
361.15 and the license holder was previously ordered under section 245C.17 to immediately
361.16 remove the disqualified individual from direct contact with persons receiving services or
361.17 to ensure that the individual is under continuous, direct supervision when providing direct
361.18 contact services, the order remains in effect pending the outcome of a hearing under
361.19 sections 245C.27 and 256.045, or 245C.28 and chapter 14.

361.20 (c) If the commissioner does not set aside the disqualification under section 245C.22,
361.21 and the license holder was not previously ordered under section 245C.17 to immediately
361.22 remove the disqualified individual from direct contact with persons receiving services or
361.23 to ensure that the individual is under continuous direct supervision when providing direct
361.24 contact services, the commissioner shall order the individual to remain under continuous
361.25 direct supervision pending the outcome of a hearing under sections 245C.27 and 256.045,
361.26 or 245C.28 and chapter 14.

361.27 (d) For background studies related to child foster care, the commissioner shall
361.28 also notify the county or private agency that initiated the study of the results of the
361.29 reconsideration.

361.30 (e) For background studies related to family child care, adult foster care₂, and family
361.31 adult day services, the commissioner shall also notify the county that initiated the study of
361.32 the results of the reconsideration.

361.33 Sec. 16. Minnesota Statutes 2015 Supplement, section 256M.41, subdivision 3,
361.34 is amended to read:

362.1 Subd. 3. **Payments based on performance.** (a) The commissioner shall make
362.2 payments under this section to each county board on a calendar year basis in an amount
362.3 determined under paragraph (b).

362.4 (b) Calendar year allocations under subdivision 1 shall be paid to counties in the
362.5 following manner:

362.6 (1) 80 percent of the allocation as determined in subdivision 1 must be paid to
362.7 counties on or before July 10 of each year;

362.8 (2) ten percent of the allocation shall be withheld until the commissioner determines
362.9 if the county has met the performance outcome threshold of 90 percent based on
362.10 face-to-face contact with alleged child victims. In order to receive the performance
362.11 allocation, the county child protection workers must have a timely face-to-face contact
362.12 with at least 90 percent of all alleged child victims of screened-in maltreatment reports.
362.13 The standard requires that each initial face-to-face contact occur consistent with timelines
362.14 defined in section 626.556, subdivision 10, paragraph (i). The commissioner shall make
362.15 threshold determinations in ~~January~~ February of each year and payments to counties
362.16 meeting the performance outcome threshold shall occur in ~~February~~ March of each year.
362.17 Any withheld funds from this appropriation for counties that do not meet this requirement
362.18 shall be reallocated by the commissioner to those counties meeting the requirement; and

362.19 (3) ten percent of the allocation shall be withheld until the commissioner determines
362.20 that the county has met the performance outcome threshold of 90 percent based on
362.21 face-to-face visits by the case manager. In order to receive the performance allocation, the
362.22 total number of visits made by caseworkers on a monthly basis to children in foster care
362.23 ~~and children receiving child protection services while residing in their home~~ must be at
362.24 least 90 percent of the total number of such visits that would occur if every child were
362.25 visited once per month. The commissioner shall make such determinations in ~~January~~
362.26 February of each year and payments to counties meeting the performance outcome
362.27 threshold shall occur in ~~February~~ March of each year. Any withheld funds from this
362.28 appropriation for counties that do not meet this requirement shall be reallocated by the
362.29 commissioner to those counties meeting the requirement. ~~For 2015, the commissioner~~
362.30 ~~shall only apply the standard for monthly foster care visits.~~

362.31 (c) The commissioner shall work with stakeholders and the Human Services
362.32 Performance Council under section 402A.16 to develop recommendations for specific
362.33 outcome measures that counties should meet in order to receive funds withheld under
362.34 paragraph (b), and include in those recommendations a determination as to whether
362.35 the performance measures under paragraph (b) should be modified or phased out. The

363.1 commissioner shall report the recommendations to the legislative committees having
363.2 jurisdiction over child protection issues by January 1, 2018.

363.3 **EFFECTIVE DATE.** This section is effective July 1, 2016, for allocations made in
363.4 fiscal year 2017 using calendar year 2016 data.

363.5 Sec. 17. Minnesota Statutes 2014, section 256N.26, subdivision 3, is amended to read:

363.6 Subd. 3. **Basic monthly rate.** From ~~January 1, 2015~~ July 1, 2016, to June 30, ~~2016~~
363.7 2017, the basic monthly rate must be according to the following schedule:

363.8	Ages 0-5	\$565 <u>\$650</u> per month
363.9	Ages 6-12	\$670 <u>\$770</u> per month
363.10	Ages 13 and older	\$790 <u>\$910</u> per month

363.11 Sec. 18. Minnesota Statutes 2015 Supplement, section 256P.06, subdivision 3, is
363.12 amended to read:

363.13 Subd. 3. **Income inclusions.** The following must be included in determining the
363.14 income of an assistance unit:

363.15 (1) earned income; and

363.16 (2) unearned income, which includes:

363.17 (i) interest and dividends from investments and savings;

363.18 (ii) capital gains as defined by the Internal Revenue Service from any sale of real
363.19 property;

363.20 (iii) proceeds from rent and contract for deed payments in excess of the principal
363.21 and interest portion owed on property;

363.22 (iv) income from trusts, excluding special needs and supplemental needs trusts;

363.23 (v) interest income from loans made by the participant or household;

363.24 (vi) cash prizes and winnings;

363.25 (vii) unemployment insurance income;

363.26 (viii) retirement, survivors, and disability insurance payments;

363.27 (ix) nonrecurring income over \$60 per quarter unless earmarked and used for the
363.28 purpose for which it is intended. Income and use of this income is subject to verification
363.29 requirements under section 256P.04;

363.30 (x) retirement benefits;

363.31 (xi) cash assistance benefits, as defined by each program in chapters 119B, 256D,
363.32 256I, and 256J;

363.33 (xii) tribal per capita payments unless excluded by federal and state law;

- 364.1 (xiii) income and payments from service and rehabilitation programs that meet
364.2 or exceed the state's minimum wage rate;
- 364.3 (xiv) income from members of the United States armed forces unless excluded from
364.4 income taxes according to federal or state law;
- 364.5 (xv) all child support payments for programs under chapters 119B, 256D, and 256I;
- 364.6 (xvi) the amount of ~~current~~ child support received that exceeds \$100 for assistance
364.7 units with one child and \$200 for assistance units with two or more children for programs
364.8 under chapter 256J; and
- 364.9 (xvii) spousal support.

364.10 Sec. 19. **[260C.125] CASE TRANSFER PROCESS.**

364.11 Subdivision 1. Purpose. This section pertains to the transfer of responsibility for
364.12 the placement and care of an Indian child in out-of-home placement from the responsible
364.13 social services agency to a tribal title IV-E agency or an Indian tribe in and outside of
364.14 Minnesota with a title IV-E agreement.

364.15 Subd. 2. Establishment of transfer procedures. The responsible social services
364.16 agency shall establish and maintain procedures, in consultation with Indian tribes, for the
364.17 transfer of responsibility for placement and care of a child to a tribal agency. Transfer of a
364.18 child's case under this section shall not affect the child's title IV-E and Medicaid eligibility.

364.19 Subd. 3. Title IV-E eligibility. If a child's title IV-E eligibility has not been
364.20 determined by the responsible social services agency by the time of transfer, it shall be
364.21 established at the time of the transfer by the responsible social services agency.

364.22 Subd. 4. Documentation and information. Essential documents and information
364.23 shall be transferred to a tribal agency, including but not limited to:

364.24 (1) district court judicial determinations to the effect that continuation in the home
364.25 from which the child was removed would be contrary to the welfare of the child and that
364.26 reasonable efforts were made to ensure placement prevention and family reunification
364.27 pursuant to section 260.012;

364.28 (2) documentation related to the child's permanency proceeding under sections
364.29 260C.503 to 260C.521;

364.30 (3) documentation from the responsible social services agency related to the child's
364.31 title IV-E eligibility;

364.32 (4) documentation regarding the child's eligibility or potential eligibility for other
364.33 federal benefits;

364.34 (5) the child's case plan, developed pursuant to the Social Security Act, United
364.35 States Code, title 42, sections 675(1) and 675a, including health and education records

365.1 of the child pursuant to the Social Security Act, United States Code, title 42, section
365.2 675(1)(c); and section 260C.212, subdivision 1, and information; and
365.3 (6) documentation of the child's placement setting, including a copy of the most
365.4 recent provider's license.

365.5 Sec. 20. Minnesota Statutes 2015 Supplement, section 260C.203, is amended to read:

365.6 **260C.203 ADMINISTRATIVE OR COURT REVIEW OF PLACEMENTS.**

365.7 (a) Unless the court is conducting the reviews required under section 260C.202,
365.8 there shall be an administrative review of the out-of-home placement plan of each child
365.9 placed in foster care no later than 180 days after the initial placement of the child in foster
365.10 care and at least every six months thereafter if the child is not returned to the home of the
365.11 parent or parents within that time. The out-of-home placement plan must be monitored and
365.12 updated at each administrative review. The administrative review shall be conducted by
365.13 the responsible social services agency using a panel of appropriate persons at least one of
365.14 whom is not responsible for the case management of, or the delivery of services to, either
365.15 the child or the parents who are the subject of the review. The administrative review shall
365.16 be open to participation by the parent or guardian of the child and the child, as appropriate.

365.17 (b) As an alternative to the administrative review required in paragraph (a), the court
365.18 may, as part of any hearing required under the Minnesota Rules of Juvenile Protection
365.19 Procedure, conduct a hearing to monitor and update the out-of-home placement plan
365.20 pursuant to the procedure and standard in section 260C.201, subdivision 6, paragraph
365.21 (d). The party requesting review of the out-of-home placement plan shall give parties to
365.22 the proceeding notice of the request to review and update the out-of-home placement
365.23 plan. A court review conducted pursuant to section 260C.141, subdivision 2; 260C.193;
365.24 260C.201, subdivision 1; 260C.202; 260C.204; 260C.317; or 260D.06 shall satisfy the
365.25 requirement for the review so long as the other requirements of this section are met.

365.26 (c) As appropriate to the stage of the proceedings and relevant court orders, the
365.27 responsible social services agency or the court shall review:

- 365.28 (1) the safety, permanency needs, and well-being of the child;
- 365.29 (2) the continuing necessity for and appropriateness of the placement;
- 365.30 (3) the extent of compliance with the out-of-home placement plan;
- 365.31 (4) the extent of progress that has been made toward alleviating or mitigating the
365.32 causes necessitating placement in foster care;
- 365.33 (5) the projected date by which the child may be returned to and safely maintained in
365.34 the home or placed permanently away from the care of the parent or parents or guardian; and
- 365.35 (6) the appropriateness of the services provided to the child.

366.1 (d) When a child is age 14 or older;

366.2 (1) in addition to any administrative review conducted by the responsible social
366.3 services agency, at the in-court review required under section 260C.317, subdivision
366.4 3, clause (3), or 260C.515, subdivision 5 or 6, the court shall review the independent
366.5 living plan required under section 260C.212, subdivision 1, paragraph (c), clause (12),
366.6 and the provision of services to the child related to the well-being of the child as the
366.7 child prepares to leave foster care. The review shall include the actual plans related to
366.8 each item in the plan necessary to the child's future safety and well-being when the child
366.9 is no longer in foster care; and

366.10 ~~(e) At the court review required under paragraph (d) for a child age 14 or older,~~
366.11 ~~the following procedures apply:~~

366.12 ~~(1) six months before the child is expected to be discharged from foster care, the~~
366.13 ~~responsible social services agency shall give the written notice required under section~~
366.14 ~~260C.451, subdivision 1, regarding the right to continued access to services for certain~~
366.15 ~~children in foster care past age 18 and of the right to appeal a denial of social services~~
366.16 ~~under section 256.045. The agency shall file a copy of the notice, including the right to~~
366.17 ~~appeal a denial of social services, with the court. If the agency does not file the notice by~~
366.18 ~~the time the child is age 17-1/2, the court shall require the agency to give it;~~

366.19 (2) consistent with the requirements of the independent living plan, the court shall
366.20 review progress toward or accomplishment of the following goals:

366.21 (i) the child has obtained a high school diploma or its equivalent;

366.22 (ii) the child has completed a driver's education course or has demonstrated the
366.23 ability to use public transportation in the child's community;

366.24 (iii) the child is employed or enrolled in postsecondary education;

366.25 (iv) the child has applied for and obtained postsecondary education financial aid for
366.26 which the child is eligible;

366.27 (v) the child has health care coverage and health care providers to meet the child's
366.28 physical and mental health needs;

366.29 (vi) the child has applied for and obtained disability income assistance for which
366.30 the child is eligible;

366.31 (vii) the child has obtained affordable housing with necessary supports, which does
366.32 not include a homeless shelter;

366.33 (viii) the child has saved sufficient funds to pay for the first month's rent and a
366.34 damage deposit;

366.35 (ix) the child has an alternative affordable housing plan, which does not include a
366.36 homeless shelter, if the original housing plan is unworkable;

367.1 (x) the child, if male, has registered for the Selective Service; and

367.2 (xi) the child has a permanent connection to a caring adult; and

367.3 ~~(3) the court shall ensure that the responsible agency in conjunction with the~~
367.4 ~~placement provider assists the child in obtaining the following documents prior to the~~
367.5 ~~child's leaving foster care: a Social Security card; the child's birth certificate; a state~~
367.6 ~~identification card or driver's license, tribal enrollment identification card, green card, or~~
367.7 ~~school visa; the child's school, medical, and dental records; a contact list of the child's~~
367.8 ~~medical, dental, and mental health providers; and contact information for the child's~~
367.9 ~~siblings, if the siblings are in foster care.~~

367.10 ~~(f) For a child who will be discharged from foster care at age 18 or older, the~~
367.11 ~~responsible social services agency is required to develop a personalized transition plan as~~
367.12 ~~directed by the youth. The transition plan must be developed during the 90-day period~~
367.13 ~~immediately prior to the expected date of discharge. The transition plan must be as~~
367.14 ~~detailed as the child may elect and include specific options on housing, health insurance,~~
367.15 ~~education, local opportunities for mentors and continuing support services, and work force~~
367.16 ~~supports and employment services. The agency shall ensure that the youth receives, at~~
367.17 ~~no cost to the youth, a copy of the youth's consumer credit report as defined in section~~
367.18 ~~13C.001 and assistance in interpreting and resolving any inaccuracies in the report. The~~
367.19 ~~plan must include information on the importance of designating another individual to~~
367.20 ~~make health care treatment decisions on behalf of the child if the child becomes unable~~
367.21 ~~to participate in these decisions and the child does not have, or does not want, a relative~~
367.22 ~~who would otherwise be authorized to make these decisions. The plan must provide the~~
367.23 ~~child with the option to execute a health care directive as provided under chapter 145C.~~
367.24 ~~The agency shall also provide the youth with appropriate contact information if the youth~~
367.25 ~~needs more information or needs help dealing with a crisis situation through age 21.~~

367.26 Sec. 21. Minnesota Statutes 2015 Supplement, section 260C.212, subdivision 1,
367.27 is amended to read:

367.28 Subdivision 1. **Out-of-home placement; plan.** (a) An out-of-home placement plan
367.29 shall be prepared within 30 days after any child is placed in foster care by court order or a
367.30 voluntary placement agreement between the responsible social services agency and the
367.31 child's parent pursuant to section 260C.227 or chapter 260D.

367.32 (b) An out-of-home placement plan means a written document which is prepared
367.33 by the responsible social services agency jointly with the parent or parents or guardian
367.34 of the child and in consultation with the child's guardian ad litem, the child's tribe, if the
367.35 child is an Indian child, the child's foster parent or representative of the foster care facility,

368.1 and, where appropriate, the child. When a child is age 14 or older, the child may include
368.2 two other individuals on the team preparing the child's out-of-home placement plan. The
368.3 child may select one member of the case planning team to be designated as the child's
368.4 advisor and to advocate with respect to the application of the reasonable and prudent
368.5 parenting standards. The responsible social services agency may reject an individual
368.6 selected by the child if the agency has good cause to believe that the individual would
368.7 not act in the best interest of the child. For a child in voluntary foster care for treatment
368.8 under chapter 260D, preparation of the out-of-home placement plan shall additionally
368.9 include the child's mental health treatment provider. For a child 18 years of age or older,
368.10 the responsible social services agency shall involve the child and the child's parents as
368.11 appropriate. As appropriate, the plan shall be:

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

368.13 (2) ordered by the court, either as presented or modified after hearing, under section
368.14 260C.178, subdivision 7, or 260C.201, subdivision 6; and

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

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

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

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

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

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

368.35 (ii) the reasonable efforts, or in the case of an Indian child, active efforts to be made
368.36 to achieve a safe and stable home for the child including social and other supportive

369.1 services to be provided or offered to the parent or parents or guardian of the child, the
369.2 child, and the residential facility during the period the child is in the residential facility;

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

369.7 (5) the visitation plan for the parent or parents or guardian, other relatives as defined
369.8 in section 260C.007, subdivision 26b or 27, and siblings of the child if the siblings are not
369.9 placed together in foster care, and whether visitation is consistent with the best interest
369.10 of the child, during the period the child is in foster care;

369.11 (6) when a child cannot return to or be in the care of either parent, documentation
369.12 of steps to finalize adoption as the permanency plan for the child through reasonable
369.13 efforts to place the child for adoption. At a minimum, the documentation must include
369.14 consideration of whether adoption is in the best interests of the child, child-specific
369.15 recruitment efforts such as relative search and the use of state, regional, and national
369.16 adoption exchanges to facilitate orderly and timely placements in and outside of the state.
369.17 A copy of this documentation shall be provided to the court in the review required under
369.18 section 260C.317, subdivision 3, paragraph (b);

369.19 (7) when a child cannot return to or be in the care of either parent, documentation
369.20 of steps to finalize the transfer of permanent legal and physical custody to a relative as
369.21 the permanency plan for the child. This documentation must support the requirements of
369.22 the kinship placement agreement under section 256N.22 and must include the reasonable
369.23 efforts used to determine that it is not appropriate for the child to return home or be
369.24 adopted, and reasons why permanent placement with a relative through a Northstar kinship
369.25 assistance arrangement is in the child's best interest; how the child meets the eligibility
369.26 requirements for Northstar kinship assistance payments; agency efforts to discuss adoption
369.27 with the child's relative foster parent and reasons why the relative foster parent chose not
369.28 to pursue adoption, if applicable; and agency efforts to discuss with the child's parent or
369.29 parents the permanent transfer of permanent legal and physical custody or the reasons
369.30 why these efforts were not made;

369.31 (8) efforts to ensure the child's educational stability while in foster care, ~~including~~
369.32 for a child who attained the minimum age for compulsory school attendance under state
369.33 law and is enrolled full time in elementary or secondary school, or instructed in elementary
369.34 or secondary education at home, or instructed in an independent study elementary or
369.35 secondary program, or incapable of attending school on a full-time basis due to a medical

370.1 condition that is documented and supported by regularly updated information in the child's
370.2 case plan. Educational stability efforts include:

370.3 (i) efforts to ensure that the child remains in the same school in which the child was
370.4 enrolled prior to placement or upon the child's move from one placement to another,
370.5 including efforts to work with the local education authorities to ensure the child's
370.6 educational stability and attendance; or

370.7 (ii) if it is not in the child's best interest to remain in the same school that the child
370.8 was enrolled in prior to placement or move from one placement to another, efforts to
370.9 ensure immediate and appropriate enrollment for the child in a new school;

370.10 (9) the educational records of the child including the most recent information
370.11 available regarding:

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

370.13 (ii) the child's grade level performance;

370.14 (iii) the child's school record;

370.15 (iv) a statement about how the child's placement in foster care takes into account
370.16 proximity to the school in which the child is enrolled at the time of placement; and

370.17 (v) any other relevant educational information;

370.18 (10) the efforts by the ~~local~~ responsible social services agency to ensure the oversight
370.19 and continuity of health care services for the foster child, including:

370.20 (i) the plan to schedule the child's initial health screens;

370.21 (ii) how the child's known medical problems and identified needs from the screens,
370.22 including any known communicable diseases, as defined in section 144.4172, subdivision
370.23 2, ~~will~~ shall be monitored and treated while the child is in foster care;

370.24 (iii) how the child's medical information ~~will~~ shall be updated and shared, including
370.25 the child's immunizations;

370.26 (iv) who is responsible to coordinate and respond to the child's health care needs,
370.27 including the role of the parent, the agency, and the foster parent;

370.28 (v) who is responsible for oversight of the child's prescription medications;

370.29 (vi) how physicians or other appropriate medical and nonmedical professionals ~~will~~
370.30 shall be consulted and involved in assessing the health and well-being of the child and
370.31 determine the appropriate medical treatment for the child; and

370.32 (vii) the responsibility to ensure that the child has access to medical care through
370.33 either medical insurance or medical assistance;

370.34 (11) the health records of the child including information available regarding:

370.35 (i) the names and addresses of the child's health care and dental care providers;

370.36 (ii) a record of the child's immunizations;

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

371.3 (iv) the child's medications; and

371.4 (v) any other relevant health care information such as the child's eligibility for
371.5 medical insurance or medical assistance;

371.6 (12) an independent living plan for a child age 14 years of age or older, developed in
371.7 consultation with the child. The child may select one member of the case planning team to
371.8 be designated as the child's advisor and to advocate with respect to the application of the
371.9 reasonable and prudent parenting standards in subdivision 14. The plan should include,
371.10 but not be limited to, the following objectives:

371.11 (i) educational, vocational, or employment planning;

371.12 (ii) health care planning and medical coverage;

371.13 (iii) transportation including, where appropriate, assisting the child in obtaining a
371.14 driver's license;

371.15 (iv) money management, including the responsibility of the responsible social
371.16 services agency to ensure that the youth child annually receives, at no cost to the youth
371.17 child, a consumer report as defined under section 13C.001 and assistance in interpreting
371.18 and resolving any inaccuracies in the report;

371.19 (v) planning for housing;

371.20 (vi) social and recreational skills;

371.21 (vii) establishing and maintaining connections with the child's family and
371.22 community; and

371.23 (viii) regular opportunities to engage in age-appropriate or developmentally
371.24 appropriate activities typical for the child's age group, taking into consideration the
371.25 capacities of the individual child; ~~and~~

371.26 (13) for a child in voluntary foster care for treatment under chapter 260D, diagnostic
371.27 and assessment information, specific services relating to meeting the mental health care
371.28 needs of the child, and treatment outcomes; and

371.29 (14) for a child 14 years of age or older, a signed acknowledgment that describes
371.30 the child's rights regarding education, health care, visitation, safety and protection from
371.31 exploitation, and court participation; receipt of the documents identified in section
371.32 260C.452; and receipt of an annual credit report. The acknowledgment shall state that the
371.33 rights were explained in an age-appropriate manner to the child.

371.34 (d) The parent or parents or guardian and the child each shall have the right to legal
371.35 counsel in the preparation of the case plan and shall be informed of the right at the time
371.36 of placement of the child. The child shall also have the right to a guardian ad litem.

372.1 If unable to employ counsel from their own resources, the court shall appoint counsel
372.2 upon the request of the parent or parents or the child or the child's legal guardian. The
372.3 parent or parents may also receive assistance from any person or social services agency
372.4 in preparation of the case plan.

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

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

372.11 Sec. 22. Minnesota Statutes 2015 Supplement, section 260C.212, subdivision 14,
372.12 is amended to read:

372.13 Subd. 14. **Support age-appropriate and developmentally appropriate activities**
372.14 **for foster children.** (a) Responsible social services agencies and licensed child-placing
372.15 agencies shall support a foster child's emotional and developmental growth by permitting
372.16 the child to participate in activities or events that are generally accepted as suitable
372.17 for children of the same chronological age or are developmentally appropriate for the
372.18 child. "Developmentally appropriate" means based on a child's cognitive, emotional,
372.19 physical, and behavioral capacities that are typical for an age or age group. Foster
372.20 parents and residential facility staff are permitted to allow foster children to participate in
372.21 extracurricular, social, or cultural activities that are typical for the child's age by applying
372.22 reasonable and prudent parenting standards.

372.23 (b) "Reasonable and prudent parenting" means the standards are characterized
372.24 by careful and sensible parenting decisions that maintain the child's health and safety,
372.25 cultural, religious, and are made in the child's tribal values, and best interest interests
372.26 while encouraging the child's emotional and developmental growth.

372.27 (c) The commissioner shall provide guidance about the childhood activities and
372.28 factors a foster parent and authorized residential facility staff must consider when applying
372.29 the reasonable and prudent parenting standards. The factors must include the:

372.30 (1) child's age, maturity, and developmental level;

372.31 (2) risk of activity;

372.32 (3) best interests of the child;

372.33 (4) importance of the experience in the child's emotional and developmental growth;

372.34 (5) importance of a family-like experience;

372.35 (6) behavioral history of the child; and

373.1 (7) wishes of the child's parent or legal guardian, as appropriate.

373.2 (d) A residential facility licensed under Minnesota Rules, chapter 2960, must have
373.3 at least one onsite staff person who is trained on the standards according to section
373.4 260C.215, subdivision 4, and authorized to apply the reasonable and prudent parenting
373.5 standards to decisions involving the approval of a foster child's participation in age and
373.6 developmentally appropriate extracurricular, social, or cultural activities. The onsite staff
373.7 person referenced in this paragraph is not required to be available 24 hours per day.

373.8 (e) The foster parent or designated staff at residential facilities demonstrating
373.9 compliance with the reasonable and prudent parenting standards shall not incur civil
373.10 liability if a foster child is harmed or injured because of participating in approved
373.11 extracurricular, enrichment, cultural, and social activities.

373.12 Sec. 23. Minnesota Statutes 2015 Supplement, section 260C.215, subdivision 4,
373.13 is amended to read:

373.14 Subd. 4. **Duties of commissioner.** The commissioner of human services shall:

373.15 (1) provide practice guidance to responsible social services agencies and licensed
373.16 child-placing agencies that reflect federal and state laws and policy direction on placement
373.17 of children;

373.18 (2) develop criteria for determining whether a prospective adoptive or foster family
373.19 has the ability to understand and validate the child's cultural background;

373.20 (3) provide a standardized training curriculum for adoption and foster care workers
373.21 and administrators who work with children. Training must address the following objectives:

373.22 (i) developing and maintaining sensitivity to all cultures;

373.23 (ii) assessing values and their cultural implications;

373.24 (iii) making individualized placement decisions that advance the best interests of a
373.25 particular child under section 260C.212, subdivision 2; and

373.26 (iv) issues related to cross-cultural placement;

373.27 (4) provide a training curriculum for all prospective adoptive and foster families
373.28 that prepares them to care for the needs of adoptive and foster children taking into
373.29 consideration the needs of children outlined in section 260C.212, subdivision 2, paragraph

373.30 (b), and, as necessary, preparation is continued after placement of the child and includes
373.31 the knowledge and skills related to reasonable and prudent parenting standards for the
373.32 participation of the child in age or developmentally appropriate activities, according to
373.33 section 260C.212, subdivision 14;

373.34 (5) develop and provide to responsible social services agencies and licensed
373.35 child-placing agencies a home study format to assess the capacities and needs of

374.1 prospective adoptive and foster families. The format must address problem-solving skills;
374.2 parenting skills; evaluate the degree to which the prospective family has the ability
374.3 to understand and validate the child's cultural background, and other issues needed to
374.4 provide sufficient information for agencies to make an individualized placement decision
374.5 consistent with section 260C.212, subdivision 2. For a study of a prospective foster parent,
374.6 the format must also address the capacity of the prospective foster parent to provide a
374.7 safe, healthy, smoke-free home environment. If a prospective adoptive parent has also
374.8 been a foster parent, any update necessary to a home study for the purpose of adoption
374.9 may be completed by the licensing authority responsible for the foster parent's license.
374.10 If a prospective adoptive parent with an approved adoptive home study also applies for
374.11 a foster care license, the license application may be made with the same agency which
374.12 provided the adoptive home study; and

374.13 (6) consult with representatives reflecting diverse populations from the councils
374.14 established under sections 3.922 and 15.0145, and other state, local, and community
374.15 organizations.

374.16 Sec. 24. Minnesota Statutes 2015 Supplement, section 260C.451, subdivision 6,
374.17 is amended to read:

374.18 Subd. 6. **Reentering foster care and accessing services after age 18 years of**
374.19 **age and up to 21 years of age.** (a) Upon request of an individual ~~between the ages of~~
374.20 ~~18 and 21~~ who had been under the guardianship of the commissioner and who has left
374.21 foster care without being adopted, the responsible social services agency which had
374.22 been the commissioner's agent for purposes of the guardianship shall develop with the
374.23 individual a plan to increase the individual's ability to live safely and independently using
374.24 the plan requirements of section 260C.212, subdivision 1, paragraph (c), clause (12), and
374.25 to assist the individual to meet one or more of the eligibility criteria in subdivision 4 if
374.26 the individual wants to reenter foster care. The responsible social services agency shall
374.27 provide foster care as required to implement the plan. The responsible social services
374.28 agency shall enter into a voluntary placement agreement under section 260C.229 with the
374.29 individual if the plan includes foster care.

374.30 (b) Individuals who had not been under the guardianship of the commissioner of
374.31 human services prior to 18 years of age ~~18 and are between the ages of 18 and 21~~ may ask
374.32 to reenter foster care after age 18 and, to the extent funds are available, the responsible
374.33 social services agency that had responsibility for planning for the individual before
374.34 discharge from foster care may provide foster care or other services to the individual for

375.1 the purpose of increasing the individual's ability to live safely and independently and to
375.2 meet the eligibility criteria in subdivision 3a, if the individual:

375.3 (1) was in foster care for the six consecutive months prior to the person's 18th
375.4 birthday and was not discharged home, adopted, or received into a relative's home under a
375.5 transfer of permanent legal and physical custody under section 260C.515, subdivision 4; or

375.6 (2) was discharged from foster care while on runaway status after age 15.

375.7 (c) In conjunction with a qualifying and eligible individual under paragraph (b) and
375.8 other appropriate persons, the responsible social services agency shall develop a specific
375.9 plan related to that individual's vocational, educational, social, or maturational needs and,
375.10 to the extent funds are available, provide foster care as required to implement the plan.

375.11 The responsible social services agency shall enter into a voluntary placement agreement
375.12 with the individual if the plan includes foster care.

375.13 (d) ~~Youth~~ A child who left foster care while under guardianship of the commissioner
375.14 of human services ~~retain~~ retains eligibility for foster care for placement at any time
375.15 ~~between the ages of 18 and~~ prior to 21 years of age.

375.16 Sec. 25. Minnesota Statutes 2014, section 260C.451, is amended by adding a
375.17 subdivision to read:

375.18 Subd. 9. **Administrative or court review of placements.** (a) The court shall
375.19 conduct reviews at least annually to ensure the responsible social services agency is
375.20 making reasonable efforts to finalize the permanency plan for the child.

375.21 (b) The court shall find that the responsible social services agency is making
375.22 reasonable efforts to finalize the permanency plan for the child when the responsible
375.23 social services agency:

375.24 (1) provides appropriate support to the child and foster care provider to ensure
375.25 continuing stability and success in placement;

375.26 (2) works with the child to plan for transition to adulthood and assists the child in
375.27 demonstrating progress in achieving related goals;

375.28 (3) works with the child to plan for independent living skills and assists the child in
375.29 demonstrating progress in achieving independent living goals; and

375.30 (4) prepares the child for independence according to sections 260C.203, paragraph
375.31 (d), and 260C.452, subdivision 4.

375.32 (c) The responsible social services agency must ensure that an administrative review
375.33 that meets the requirements of this section and section 260C.203 is completed at least six
375.34 months after each of the court's annual reviews.

376.1 Sec. 26. **[260C.452] SUCCESSFUL TRANSITION TO ADULTHOOD.**

376.2 **Subdivision 1. Scope.** This section pertains to a child who is under the guardianship
376.3 of the commissioner of human services, or who has a permanency disposition of
376.4 permanent custody to the agency, or who will leave foster care at 18 to 21 years of age.

376.5 **Subd. 2. Independent living plan.** When the child is 14 years of age or older,
376.6 the responsible social services agency, in consultation with the child, shall complete
376.7 the independent living plan according to section 260C.212, subdivision 1, paragraph
376.8 (c), clause (12).

376.9 **Subd. 3. Notification.** Six months before the child is expected to be discharged from
376.10 foster care, the responsible social services agency shall provide written notice to the child
376.11 regarding the right to continued access to services for certain children in foster care past
376.12 18 years of age and of the right to appeal a denial of social services under section 256.045.

376.13 **Subd. 4. Administrative or court review of placements.** (a) When the child is 14
376.14 years of age or older, the court, in consultation with the child, shall review the independent
376.15 living plan according to section 260C.203, paragraph (d).

376.16 (b) The responsible social services agency shall file a copy of the notification
376.17 required in subdivision 3 with the court. If the responsible social services agency does
376.18 not file the notice by the time the child is 17-1/2 years of age, the court shall require the
376.19 responsible social services agency to file the notice.

376.20 (c) The court shall ensure that the responsible social services agency assists the child
376.21 in obtaining the following documents before the child leaves foster care: a Social Security
376.22 card; an official or certified copy of the child's birth certificate; a state identification card
376.23 or driver's license, tribal enrollment identification card, green card, or school visa; health
376.24 insurance information; the child's school, medical, and dental records; a contact list of
376.25 the child's medical, dental, and mental health providers; and contact information for the
376.26 child's siblings, if the siblings are in foster care.

376.27 (d) For a child who will be discharged from foster care at 18 years of age or older,
376.28 the responsible social services agency must develop a personalized transition plan as
376.29 directed by the child during the 90-day period immediately prior to the expected date of
376.30 discharge. The transition plan must be as detailed as the child elects and include specific
376.31 options, including but not limited to:

376.32 (1) affordable housing with necessary supports that does not include a homeless
376.33 shelter;

376.34 (2) health insurance, including eligibility for medical assistance as defined in section
376.35 256B.055, subdivision 17;

376.36 (3) education, including application to the Education and Training Voucher Program;

- 377.1 (4) local opportunities for mentors and continuing support services, including the
377.2 Healthy Transitions and Homeless Prevention program, if available;
377.3 (5) workforce supports and employment services;
377.4 (6) a copy of the child's consumer credit report as defined in section 13C.001 and
377.5 assistance in interpreting and resolving any inaccuracies in the report, at no cost to the child;
377.6 (7) information on executing a health care directive under chapter 145C and on the
377.7 importance of designating another individual to make health care decisions on behalf of
377.8 the child if the child becomes unable to participate in decisions; and
377.9 (8) appropriate contact information through 21 years of age if the child needs
377.10 information or help dealing with a crisis situation.

377.11 Subd. 5. **Notice of termination of foster care.** (a) When a child leaves foster care
377.12 at 18 years of age or older, the responsible social services agency shall give the child
377.13 written notice that foster care shall terminate 30 days from the date the notice is sent.

377.14 (b) The child or the child's guardian ad litem may file a motion asking the court to
377.15 review the responsible social services agency's determination within 15 days of receiving
377.16 the notice. The child shall not be discharged from foster care until the motion is heard. The
377.17 responsible social services agency shall work with the child to transition out of foster care.

377.18 (c) The written notice of termination of benefits shall be on a form prescribed by
377.19 the commissioner and shall give notice of the right to have the responsible social services
377.20 agency's determination reviewed by the court under this section or sections 260C.203,
377.21 260C.317, and 260C.515, subdivision 5 or 6. A copy of the termination notice shall
377.22 be sent to the child and the child's attorney, if any, the foster care provider, the child's
377.23 guardian ad litem, and the court. The responsible social services agency is not responsible
377.24 for paying foster care benefits for any period of time after the child leaves foster care.

377.25 Sec. 27. Minnesota Statutes 2015 Supplement, section 260C.521, subdivision 1,
377.26 is amended to read:

377.27 Subdivision 1. **Child in permanent custody of responsible social services agency.**

377.28 (a) Court reviews of an order for permanent custody to the responsible social services
377.29 agency for placement of the child in foster care must be conducted at least yearly at an
377.30 in-court appearance hearing.

377.31 (b) The purpose of the review hearing is to ensure:

377.32 (1) the responsible social services agency made intensive, ongoing, and, as of the
377.33 date of the hearing, unsuccessful efforts to return the child home or secure a placement for
377.34 the child with a fit and willing relative, custodian, or adoptive parent, and an order for
377.35 permanent custody to the responsible social services agency for placement of the child in

378.1 foster care continues to be in the best interests of the child ~~and that no other permanency~~
378.2 ~~disposition order is in the best interests of the child;~~

378.3 (2) that the responsible social services agency is assisting the child to build
378.4 connections to the child's family and community; ~~and~~

378.5 (3) that the responsible social services agency is appropriately planning with the
378.6 child for development of independent living skills for the child and, as appropriate, for the
378.7 orderly and successful transition to independent living adulthood that may occur if the
378.8 child continues in foster care without another permanency disposition order;

378.9 (4) the child's foster family home or child care institution is following the reasonable
378.10 and prudent parenting standards; and

378.11 (5) the child has regular, ongoing opportunities to engage in age or developmentally
378.12 appropriate activities by consulting with the child in an age-appropriate manner about the
378.13 opportunities.

378.14 (c) The court must review the child's out-of-home placement plan and the reasonable
378.15 efforts of the responsible social services agency to finalize an alternative permanent plan
378.16 for the child including the responsible social services agency's efforts to:

378.17 (1) ensure that permanent custody to the responsible social services agency with
378.18 placement of the child in foster care continues to be the most appropriate legal arrangement
378.19 for meeting the child's need for permanency and stability ~~or, if not, to identify and attempt~~
378.20 ~~to finalize another permanency disposition order under this chapter that would better serve~~
378.21 ~~the child's needs and best interests;~~ by reviewing the compelling reasons it continues not
378.22 to be in the best interest of the child to:

378.23 (i) return home;

378.24 (ii) be placed for adoption; or

378.25 (iii) be placed with a fit and willing relative through an order for permanent legal
378.26 and physical custody under section 260C.515, subdivision 4;

378.27 (2) identify a specific foster home for the child, if one has not already been identified;

378.28 (3) support continued placement of the child in the identified home, if one has been
378.29 identified;

378.30 (4) ensure appropriate services are provided to address the physical health, mental
378.31 health, and educational needs of the child during the period of foster care and also ensure
378.32 appropriate services or assistance to maintain relationships with appropriate family
378.33 members and the child's community; and

378.34 (5) plan for the child's independence upon the child's leaving foster care living as
378.35 required under section 260C.212, subdivision 1.

379.1 (d) The court may find that the responsible social services agency has made
379.2 reasonable efforts to finalize the permanent plan for the child when:

379.3 (1) the responsible social services agency has made reasonable efforts to identify a
379.4 more legally permanent home for the child than is provided by an order for permanent
379.5 custody to the agency for placement in foster care;

379.6 (2) the child has been asked about the child's desired permanency outcome; and

379.7 (3) the responsible social services agency's engagement of the child in planning for
379.8 independent living a successful transition to adulthood is reasonable and appropriate.

379.9 Sec. 28. **[260D.14] SUCCESSFUL TRANSITION TO ADULTHOOD FOR**
379.10 **CHILDREN IN VOLUNTARY PLACEMENT.**

379.11 Subdivision 1. **Case planning.** When the child is 14 years of age or older, the
379.12 responsible social services agency shall ensure a child in foster care under this chapter is
379.13 provided with the case plan requirements in section 260C.212, subdivisions 1 and 14.

379.14 Subd. 2. **Notification.** The responsible social services agency shall provide written
379.15 notice of the right to continued access to services for certain children in foster care past 18
379.16 years of age under section 260C.452, subdivision 3, and of the right to appeal a denial
379.17 of social services under section 256.045. The notice must be provided to the child six
379.18 months before the child's 18th birthday.

379.19 Subd. 3. **Administrative or court reviews.** When the child is 17 years of age or
379.20 older, the administrative review or court hearing must include a review of the responsible
379.21 social services agency's support for the child's successful transition to adulthood as
379.22 required in section 260C.452, subdivision 4.

379.23 Sec. 29. Minnesota Statutes 2014, section 518.175, subdivision 5, is amended to read:

379.24 Subd. 5. **Modification of parenting plan or order for parenting time.** (a) If a
379.25 parenting plan or an order granting parenting time cannot be used to determine the number
379.26 of overnights or overnight equivalents the child has with each parent, the court shall modify
379.27 the parenting plan or order granting parenting time so that the number of overnights or
379.28 overnight equivalents the child has with each parent can be determined. For purposes of this
379.29 section, "overnight equivalents" has the meaning given in section 518A.36, subdivision 1.

379.30 (b) If modification would serve the best interests of the child, the court shall modify
379.31 the decision-making provisions of a parenting plan or an order granting or denying
379.32 parenting time, if the modification would not change the child's primary residence.
379.33 Consideration of a child's best interest includes a child's changing developmental needs.

380.1 ~~(b)~~ (c) Except as provided in section 631.52, the court may not restrict parenting
380.2 time unless it finds that:

380.3 (1) parenting time is likely to endanger the child's physical or emotional health or
380.4 impair the child's emotional development; or

380.5 (2) the parent has chronically and unreasonably failed to comply with court-ordered
380.6 parenting time.

380.7 A modification of parenting time which increases a parent's percentage of parenting time
380.8 to an amount that is between 45.1 to 54.9 percent parenting time is not a restriction of
380.9 the other parent's parenting time.

380.10 ~~(e)~~ (d) If a parent makes specific allegations that parenting time by the other
380.11 parent places the parent or child in danger of harm, the court shall hold a hearing at
380.12 the earliest possible time to determine the need to modify the order granting parenting
380.13 time. Consistent with subdivision 1a, the court may require a third party, including the
380.14 local social services agency, to supervise the parenting time or may restrict a parent's
380.15 parenting time if necessary to protect the other parent or child from harm. If there is an
380.16 existing order for protection governing the parties, the court shall consider the use of an
380.17 independent, neutral exchange location for parenting time.

380.18 **EFFECTIVE DATE.** This section is effective August 1, 2018.

380.19 Sec. 30. Minnesota Statutes 2015 Supplement, section 518A.26, subdivision 14,
380.20 is amended to read:

380.21 Subd. 14. **Obligor.** "Obligor" means a person obligated to pay maintenance or
380.22 support. For purposes of ordering medical support under section 518A.41, a parent who
380.23 has primary physical custody of a child may be an obligor subject to a payment agreement
380.24 under section 518A.69. If a parent has more than 55 percent court-ordered parenting
380.25 time, there is a rebuttable presumption that the parent has a zero dollar basic support
380.26 obligation. A party seeking to overcome this presumption must show, and the court must
380.27 consider, the following:

380.28 (1) a significant income disparity, which may include potential income determined
380.29 under section 518A.32;

380.30 (2) the benefit and detriment to the child and the ability of each parent to meet
380.31 the needs of the child; and

380.32 (3) whether the application of the presumption would have an unjust or inappropriate
380.33 result.

381.1 The presumption of a zero dollar basic support obligation does not eliminate a parent's
381.2 obligation to pay child support arrears under section 518A.60. The presumption of a
381.3 zero dollar basic support obligation does not apply to an action under section 256.87,
381.4 subdivision 1 or 1a.

381.5 **EFFECTIVE DATE.** This section is effective August 1, 2018.

381.6 Sec. 31. Minnesota Statutes 2014, section 518A.34, is amended to read:

381.7 **518A.34 COMPUTATION OF CHILD SUPPORT OBLIGATIONS.**

381.8 (a) To determine the presumptive child support obligation of a parent, the court shall
381.9 follow the procedure set forth in this section.

381.10 (b) To determine the obligor's basic support obligation, the court shall:

381.11 (1) determine the gross income of each parent under section 518A.29;

381.12 (2) calculate the parental income for determining child support (PICS) of each
381.13 parent, by subtracting from the gross income the credit, if any, for each parent's nonjoint
381.14 children under section 518A.33;

381.15 (3) determine the percentage contribution of each parent to the combined PICS by
381.16 dividing the combined PICS into each parent's PICS;

381.17 (4) determine the combined basic support obligation by application of the guidelines
381.18 in section 518A.35;

381.19 (5) determine ~~the obligor's~~ each parent's share of the combined basic support
381.20 obligation by multiplying the percentage figure from clause (3) by the combined basic
381.21 support obligation in clause (4); and

381.22 (6) ~~determine the parenting expense adjustment, if any, as apply the parenting~~
381.23 ~~expense adjustment formula provided in section 518A.36, and adjust the obligor's basic~~
381.24 ~~support obligation accordingly to determine the obligor's basic support obligation. If the~~
381.25 ~~parenting time of the parties is presumed equal, section 518A.36, subdivision 3, applies~~
381.26 ~~to the calculation of the basic support obligation and a determination of which parent~~
381.27 ~~is the obligor.~~

381.28 (c) If the parents have split custody of joint children, child support must be
381.29 calculated for each joint child as follows:

381.30 (1) the court shall determine each parent's basic support obligation under paragraph
381.31 (b) and include the amount of each parent's obligation in the court order. If the basic
381.32 support calculation results in each parent owing support to the other, the court shall offset
381.33 the higher basic support obligation with the lower basic support obligation to determine
381.34 the amount to be paid by the parent with the higher obligation to the parent with the

382.1 lower obligation. For the purpose of the cost-of-living adjustment required under section
382.2 518A.75, the adjustment must be based on each parent's basic support obligation prior to
382.3 offset. For the purposes of this paragraph, "split custody" means that there are two or more
382.4 joint children and each parent has at least one joint child more than 50 percent of the time;

382.5 (2) if each parent pays all child care expenses for at least one joint child, the court
382.6 shall calculate child care support for each joint child as provided in section 518A.40. The
382.7 court shall determine each parent's child care support obligation and include the amount of
382.8 each parent's obligation in the court order. If the child care support calculation results in
382.9 each parent owing support to the other, the court shall offset the higher child care support
382.10 obligation with the lower child care support obligation to determine the amount to be paid
382.11 by the parent with the higher obligation to the parent with the lower obligation; and

382.12 (3) if each parent pays all medical or dental insurance expenses for at least one
382.13 joint child, medical support shall be calculated for each joint child as provided in section
382.14 518A.41. The court shall determine each parent's medical support obligation and include
382.15 the amount of each parent's obligation in the court order. If the medical support calculation
382.16 results in each parent owing support to the other, the court shall offset the higher medical
382.17 support obligation with the lower medical support obligation to determine the amount to
382.18 be paid by the parent with the higher obligation to the parent with the lower obligation.

382.19 Unreimbursed and uninsured medical expenses are not included in the presumptive amount
382.20 of support owed by a parent and are calculated and collected as provided in section 518A.41.

382.21 (d) The court shall determine the child care support obligation for the obligor
382.22 as provided in section 518A.40.

382.23 ~~(d)~~ (e) The court shall determine the medical support obligation for each parent as
382.24 provided in section 518A.41. Unreimbursed and uninsured medical expenses are not
382.25 included in the presumptive amount of support owed by a parent and are calculated and
382.26 collected as described in section 518A.41.

382.27 ~~(e)~~ (f) The court shall determine each parent's total child support obligation by
382.28 adding together each parent's basic support, child care support, and health care coverage
382.29 obligations as provided in this section.

382.30 ~~(f)~~ (g) If Social Security benefits or veterans' benefits are received by one parent as a
382.31 representative payee for a joint child based on the other parent's eligibility, the court shall
382.32 subtract the amount of benefits from the other parent's net child support obligation, if any.

382.33 ~~(g)~~ (h) The final child support order shall separately designate the amount owed for
382.34 basic support, child care support, and medical support. If applicable, the court shall use
382.35 the self-support adjustment and minimum support adjustment under section 518A.42 to
382.36 determine the obligor's child support obligation.

383.1 **EFFECTIVE DATE.** This section is effective August 1, 2018.

383.2 Sec. 32. Minnesota Statutes 2014, section 518A.35, subdivision 1, is amended to read:

383.3 Subdivision 1. **Determination of support obligation.** (a) The guideline in this
383.4 section is a rebuttable presumption and shall be used in any judicial or administrative
383.5 proceeding to establish or modify a support obligation under this chapter.

383.6 (b) The basic child support obligation shall be determined by referencing the
383.7 guideline for the appropriate number of joint children and the combined parental income
383.8 for determining child support of the parents.

383.9 (c) If a child is not in the custody of either parent and a support order is sought against
383.10 one or both parents, the basic child support obligation shall be determined by referencing
383.11 the guideline for the appropriate number of joint children, and the parent's individual
383.12 parental income for determining child support, not the combined parental incomes for
383.13 determining child support of the parents. Unless a parent has court-ordered parenting time,
383.14 the parenting expense adjustment formula under section 518A.34 must not be applied.

383.15 (d) If a child is in custody of either parent and a support order is sought by the public
383.16 authority under section 256.87, unless the parent against whom the support order is sought
383.17 has court-ordered parenting time, the support obligation must be determined by referencing
383.18 the guideline for the appropriate number of joint children and the parent's individual income
383.19 without application of the parenting expense adjustment formula under section 518A.34.

383.20 (e) For combined parental incomes for determining child support exceeding \$15,000
383.21 per month, the presumed basic child support obligations shall be as for parents with
383.22 combined parental income for determining child support of \$15,000 per month. A basic
383.23 child support obligation in excess of this level may be demonstrated for those reasons set
383.24 forth in section 518A.43.

383.25 **EFFECTIVE DATE.** This section is effective August 1, 2018.

383.26 Sec. 33. Minnesota Statutes 2014, section 518A.36, is amended to read:

383.27 **518A.36 PARENTING EXPENSE ADJUSTMENT.**

383.28 Subdivision 1. **General.** (a) The parenting expense adjustment under this section
383.29 reflects the presumption that while exercising parenting time, a parent is responsible
383.30 for and incurs costs of caring for the child, including, but not limited to, food, clothing,
383.31 transportation, recreation, and household expenses. Every child support order shall specify
383.32 the percentage of parenting time granted to or presumed for each parent. For purposes
383.33 of this section, the percentage of parenting time means the percentage of time a child is

384.1 scheduled to spend with the parent during a calendar year according to a court order
 384.2 averaged over a two-year period. Parenting time includes time with the child whether it is
 384.3 designated as visitation, physical custody, or parenting time. The percentage of parenting
 384.4 time may be determined by calculating the number of overnights or overnight equivalents
 384.5 that a child parent spends with a parent, or child pursuant to a court order. For purposes of
 384.6 this section, overnight equivalents are calculated by using a method other than overnights
 384.7 if the parent has significant time periods on separate days where the child is in the parent's
 384.8 physical custody and under the direct care of the parent but does not stay overnight. The
 384.9 court may consider the age of the child in determining whether a child is with a parent
 384.10 for a significant period of time.

384.11 (b) If there is not a court order awarding parenting time, the court shall determine
 384.12 the child support award without consideration of the parenting expense adjustment. If a
 384.13 parenting time order is subsequently issued or is issued in the same proceeding, then the
 384.14 child support order shall include application of the parenting expense adjustment.

384.15 **Subd. 2. Calculation of parenting expense adjustment.** (a) For the purposes of
 384.16 this section, the following terms have the meanings given:

384.17 (1) "parent A" means the parent with whom the child or children will spend the least
 384.18 number of overnights under the court order; and

384.19 (2) "parent B" means the parent with whom the child or children will spend the
 384.20 greatest number of overnights under the court order.

384.21 ~~The obligor is entitled to a parenting expense adjustment calculated as provided in~~
 384.22 ~~this subdivision.~~ (b) The court shall apply the following formula to determine which
 384.23 parent is the obligor and calculate the basic support obligation:

384.24 ~~(1) find the adjustment percentage corresponding to the percentage of parenting~~
 384.25 ~~time allowed to the obligor below:~~

384.26	Percentage Range of Parenting Time	Adjustment Percentage
384.28	(i) less than 10 percent	no adjustment
384.29	(ii) 10 percent to 45 percent	12 percent
384.30	(iii) 45.1 percent to 50 percent	presume parenting time is equal

384.31 ~~(2) multiply the adjustment percentage by the obligor's basic child support obligation~~
 384.32 ~~to arrive at the parenting expense adjustment; and~~

384.33 ~~(3) subtract the parenting expense adjustment from the obligor's basic child support~~
 384.34 ~~obligation. The result is the obligor's basic support obligation after parenting expense~~
 384.35 ~~adjustment.~~

384.36 (1) raise to the power of three the approximate number of annual overnights the child
 384.37 or children will likely spend with parent A;

385.1 (2) raise to the power of three the approximate number of annual overnights the child
385.2 or children will likely spend with parent B;

385.3 (3) multiply the result of clause (1) times parent B's share of the combined basic
385.4 support obligation as determined in section 518A.34, paragraph (b), clause (5);

385.5 (4) multiply the result of clause (2) times parent A's share of the combined basic
385.6 support obligation as determined in section 518A.34, paragraph (b), clause (5);

385.7 (5) subtract the result of clause (4) from the result of clause (3); and

385.8 (6) divide the result of clause (5) by the sum of clauses (1) and (2).

385.9 (c) If the result is a negative number, parent A is the obligor, the negative number
385.10 becomes its positive equivalent, and the result is the basic support obligation. If the result
385.11 is a positive number, parent B is the obligor and the result is the basic support obligation.

385.12 **Subd. 3. Calculation of basic support when parenting time presumed is equal.**

385.13 **(a)** If the parenting time is equal and the parental incomes for determining child support of
385.14 the parents also are equal, no basic support shall be paid unless the court determines that
385.15 the expenses for the child are not equally shared.

385.16 ~~(b) If the parenting time is equal but the parents' parental incomes for determining~~
385.17 ~~child support are not equal, the parent having the greater parental income for determining~~
385.18 ~~child support shall be obligated for basic child support, calculated as follows:~~

385.19 ~~(1) multiply the combined basic support calculated under section 518A.34 by 0.75;~~

385.20 ~~(2) prorate the amount under clause (1) between the parents based on each parent's~~
385.21 ~~proportionate share of the combined PICS; and~~

385.22 ~~(3) subtract the lower amount from the higher amount.~~

385.23 ~~The resulting figure is the obligation after parenting expense adjustment for the~~
385.24 ~~parent with the greater parental income for determining child support.~~

385.25 **EFFECTIVE DATE.** This section is effective August 1, 2018.

385.26 Sec. 34. Minnesota Statutes 2015 Supplement, section 518A.39, subdivision 2, is
385.27 amended to read:

385.28 **Subd. 2. Modification.** (a) The terms of an order respecting maintenance or support
385.29 may be modified upon a showing of one or more of the following, any of which makes
385.30 the terms unreasonable and unfair: (1) substantially increased or decreased gross income
385.31 of an obligor or obligee; (2) substantially increased or decreased need of an obligor or
385.32 obligee or the child or children that are the subject of these proceedings; (3) receipt of
385.33 assistance under the AFDC program formerly codified under sections 256.72 to 256.87
385.34 or 256B.01 to 256B.40, or chapter 256J or 256K; (4) a change in the cost of living for
385.35 either party as measured by the Federal Bureau of Labor Statistics; (5) extraordinary

386.1 medical expenses of the child not provided for under section 518A.41; (6) a change in
386.2 the availability of appropriate health care coverage or a substantial increase or decrease
386.3 in health care coverage costs; (7) the addition of work-related or education-related child
386.4 care expenses of the obligee or a substantial increase or decrease in existing work-related
386.5 or education-related child care expenses; or (8) upon the emancipation of the child, as
386.6 provided in subdivision 5.

386.7 (b) It is presumed that there has been a substantial change in circumstances under
386.8 paragraph (a) and the terms of a current support order shall be rebuttably presumed to be
386.9 unreasonable and unfair if:

386.10 (1) the application of the child support guidelines in section 518A.35, to the current
386.11 circumstances of the parties results in a calculated court order that is at least 20 percent
386.12 and at least \$75 per month higher or lower than the current support order or, if the current
386.13 support order is less than \$75, it results in a calculated court order that is at least 20
386.14 percent per month higher or lower;

386.15 (2) the medical support provisions of the order established under section 518A.41
386.16 are not enforceable by the public authority or the obligee;

386.17 (3) health coverage ordered under section 518A.41 is not available to the child for
386.18 whom the order is established by the parent ordered to provide;

386.19 (4) the existing support obligation is in the form of a statement of percentage and not
386.20 a specific dollar amount;

386.21 (5) the gross income of an obligor or obligee has decreased by at least 20 percent
386.22 through no fault or choice of the party; or

386.23 (6) a deviation was granted based on the factor in section 518A.43, subdivision 1,
386.24 clause (4), and the child no longer resides in a foreign country or the factor is otherwise no
386.25 longer applicable.

386.26 (c) A child support order is not presumptively modifiable solely because an obligor
386.27 or obligee becomes responsible for the support of an additional nonjoint child, which is
386.28 born after an existing order. Section 518A.33 shall be considered if other grounds are
386.29 alleged which allow a modification of support.

386.30 (d) If child support was established by applying a parenting expense adjustment
386.31 or presumed equal parenting time calculation under previously existing child support
386.32 guidelines and there is no parenting plan or order from which overnights or overnight
386.33 equivalents can be determined, there is a rebuttable presumption that the established
386.34 adjustment or calculation will continue after modification so long as the modification is
386.35 not based on a change in parenting time. In determining an obligation under previously
386.36 existing child support guidelines, it is presumed that the court shall:

387.1 (1) if a 12 percent parenting expense adjustment was applied, multiply the obligor's
387.2 share of the combined basic support obligation calculated under section 518A.34,
387.3 paragraph (b), clause (5), by .88; or

387.4 (2) if the parenting time was presumed equal but the parents' parental incomes for
387.5 determining child support were not equal:

387.6 (i) multiply the combined basic support obligation under section 518A.34, paragraph
387.7 (b), clause (5), by .075;

387.8 (ii) prorate the amount under item (i) between the parents based on each parent's
387.9 proportionate share of the combined PICS; and

387.10 (iii) subtract the lower amount from the higher amount.

387.11 (e) On a motion for modification of maintenance, including a motion for the
387.12 extension of the duration of a maintenance award, the court shall apply, in addition to all
387.13 other relevant factors, the factors for an award of maintenance under section 518.552 that
387.14 exist at the time of the motion. On a motion for modification of support, the court:

387.15 (1) shall apply section 518A.35, and shall not consider the financial circumstances of
387.16 each party's spouse, if any; and

387.17 (2) shall not consider compensation received by a party for employment in excess of
387.18 a 40-hour work week, provided that the party demonstrates, and the court finds, that:

387.19 (i) the excess employment began after entry of the existing support order;

387.20 (ii) the excess employment is voluntary and not a condition of employment;

387.21 (iii) the excess employment is in the nature of additional, part-time employment, or
387.22 overtime employment compensable by the hour or fractions of an hour;

387.23 (iv) the party's compensation structure has not been changed for the purpose of
387.24 affecting a support or maintenance obligation;

387.25 (v) in the case of an obligor, current child support payments are at least equal to the
387.26 guidelines amount based on income not excluded under this clause; and

387.27 (vi) in the case of an obligor who is in arrears in child support payments to the
387.28 obligee, any net income from excess employment must be used to pay the arrearages
387.29 until the arrearages are paid in full.

387.30 (e) (f) A modification of support or maintenance, including interest that accrued
387.31 pursuant to section 548.091, may be made retroactive only with respect to any period
387.32 during which the petitioning party has pending a motion for modification but only from
387.33 the date of service of notice of the motion on the responding party and on the public
387.34 authority if public assistance is being furnished or the county attorney is the attorney of
387.35 record, unless the court adopts an alternative effective date under paragraph (l). The

388.1 court's adoption of an alternative effective date under paragraph (l) shall not be considered
388.2 a retroactive modification of maintenance or support.

388.3 ~~(f)~~ (g) Except for an award of the right of occupancy of the homestead, provided
388.4 in section 518.63, all divisions of real and personal property provided by section 518.58
388.5 shall be final, and may be revoked or modified only where the court finds the existence
388.6 of conditions that justify reopening a judgment under the laws of this state, including
388.7 motions under section 518.145, subdivision 2. The court may impose a lien or charge on
388.8 the divided property at any time while the property, or subsequently acquired property, is
388.9 owned by the parties or either of them, for the payment of maintenance or support money,
388.10 or may sequester the property as is provided by section 518A.71.

388.11 ~~(g)~~ (h) The court need not hold an evidentiary hearing on a motion for modification
388.12 of maintenance or support.

388.13 ~~(h)~~ (i) Sections 518.14 and 518A.735 shall govern the award of attorney fees for
388.14 motions brought under this subdivision.

388.15 ~~(i)~~ (j) Except as expressly provided, an enactment, amendment, or repeal of law does
388.16 not constitute a substantial change in the circumstances for purposes of modifying a
388.17 child support order.

388.18 ~~(j)~~ MS 2006 [Expired]

388.19 ~~(k)~~ On the first modification ~~under the income shares method of calculation~~
388.20 following implementation of amended child support guidelines, the modification of
388.21 basic support may be limited if the amount of the full variance would create hardship
388.22 for either the obligor or the obligee. Hardship includes, but is not limited to, eligibility
388.23 for assistance under chapter 256J.

388.24 (l) The court may select an alternative effective date for a maintenance or support
388.25 order if the parties enter into a binding agreement for an alternative effective date.

388.26 **EFFECTIVE DATE.** This section is effective August 1, 2018.

388.27 Sec. 35. Minnesota Statutes 2014, section 609.3241, is amended to read:

388.28 **609.3241 PENALTY ASSESSMENT AUTHORIZED.**

388.29 (a) When a court sentences an adult convicted of violating section 609.322 or
388.30 609.324, while acting other than as a prostitute, the court shall impose an assessment of
388.31 not less than \$500 and not more than \$750 for a violation of section 609.324, subdivision
388.32 2, or a misdemeanor violation of section 609.324, subdivision 3; otherwise the court shall
388.33 impose an assessment of not less than \$750 and not more than \$1,000. The assessment

389.1 shall be distributed as provided in paragraph (c) and is in addition to the surcharge
389.2 required by section 357.021, subdivision 6.

389.3 (b) The court may not waive payment of the minimum assessment required by
389.4 this section. If the defendant qualifies for the services of a public defender or the court
389.5 finds on the record that the convicted person is indigent or that immediate payment of
389.6 the assessment would create undue hardship for the convicted person or that person's
389.7 immediate family, the court may reduce the amount of the minimum assessment to not
389.8 less than \$100. The court also may authorize payment of the assessment in installments.

389.9 (c) The assessment collected under paragraph (a) must be distributed as follows:

389.10 (1) 40 percent of the assessment shall be forwarded to the political subdivision that
389.11 employs the arresting officer for use in enforcement, training, and education activities
389.12 related to combating sexual exploitation of youth, or if the arresting officer is an employee
389.13 of the state, this portion shall be forwarded to the commissioner of public safety for those
389.14 purposes identified in clause (3);

389.15 (2) 20 percent of the assessment shall be forwarded to the prosecuting agency that
389.16 handled the case for use in training and education activities relating to combating sexual
389.17 exploitation activities of youth; and

389.18 (3) 40 percent of the assessment must be forwarded to the commissioner of ~~public~~
389.19 ~~safety~~ health to be deposited in the safe harbor for youth account in the special revenue
389.20 fund and are appropriated to the commissioner for distribution to crime victims services
389.21 organizations that provide services to sexually exploited youth, as defined in section
389.22 260C.007, subdivision 31.

389.23 (d) A safe harbor for youth account is established as a special account in the state
389.24 treasury.

389.25 Sec. 36. Minnesota Statutes 2015 Supplement, section 626.556, subdivision 2, is
389.26 amended to read:

389.27 Subd. 2. **Definitions.** As used in this section, the following terms have the meanings
389.28 given them unless the specific content indicates otherwise:

389.29 (a) "Accidental" means a sudden, not reasonably foreseeable, and unexpected
389.30 occurrence or event which:

389.31 (1) is not likely to occur and could not have been prevented by exercise of due
389.32 care; and

389.33 (2) if occurring while a child is receiving services from a facility, happens when the
389.34 facility and the employee or person providing services in the facility are in compliance
389.35 with the laws and rules relevant to the occurrence or event.

390.1 (b) "Commissioner" means the commissioner of human services.

390.2 (c) "Facility" means:

390.3 (1) a licensed or unlicensed day care facility, residential facility, agency, hospital,
390.4 sanitarium, or other facility or institution required to be licensed under sections 144.50 to
390.5 144.58, 241.021, or 245A.01 to 245A.16, or chapter 245D;

390.6 (2) a school as defined in section 120A.05, subdivisions 9, 11, and 13; and chapter
390.7 124E; or

390.8 (3) a nonlicensed personal care provider organization as defined in section
390.9 256B.0625, subdivision 19a.

390.10 (d) "Family assessment" means a comprehensive assessment of child safety, risk of
390.11 subsequent child maltreatment, and family strengths and needs that is applied to a child
390.12 maltreatment report that does not allege sexual abuse or substantial child endangerment.
390.13 Family assessment does not include a determination as to whether child maltreatment
390.14 occurred but does determine the need for services to address the safety of family members
390.15 and the risk of subsequent maltreatment.

390.16 (e) "Investigation" means fact gathering related to the current safety of a child
390.17 and the risk of subsequent maltreatment that determines whether child maltreatment
390.18 occurred and whether child protective services are needed. An investigation must be used
390.19 when reports involve sexual abuse or substantial child endangerment, and for reports of
390.20 maltreatment in facilities required to be licensed under chapter 245A or 245D; under
390.21 sections 144.50 to 144.58 and 241.021; in a school as defined in section 120A.05,
390.22 subdivisions 9, 11, and 13, and chapter 124E; or in a nonlicensed personal care provider
390.23 association as defined in section 256B.0625, subdivision 19a.

390.24 (f) "Mental injury" means an injury to the psychological capacity or emotional
390.25 stability of a child as evidenced by an observable or substantial impairment in the child's
390.26 ability to function within a normal range of performance and behavior with due regard to
390.27 the child's culture.

390.28 (g) "Neglect" means the commission or omission of any of the acts specified under
390.29 clauses (1) to (9), other than by accidental means:

390.30 (1) failure by a person responsible for a child's care to supply a child with necessary
390.31 food, clothing, shelter, health, medical, or other care required for the child's physical or
390.32 mental health when reasonably able to do so;

390.33 (2) failure to protect a child from conditions or actions that seriously endanger the
390.34 child's physical or mental health when reasonably able to do so, including a growth delay,
390.35 which may be referred to as a failure to thrive, that has been diagnosed by a physician and
390.36 is due to parental neglect;

391.1 (3) failure to provide for necessary supervision or child care arrangements
391.2 appropriate for a child after considering factors as the child's age, mental ability, physical
391.3 condition, length of absence, or environment, when the child is unable to care for the
391.4 child's own basic needs or safety, or the basic needs or safety of another child in their care;

391.5 (4) failure to ensure that the child is educated as defined in sections 120A.22 and
391.6 260C.163, subdivision 11, which does not include a parent's refusal to provide the parent's
391.7 child with sympathomimetic medications, consistent with section 125A.091, subdivision 5;

391.8 (5) nothing in this section shall be construed to mean that a child is neglected solely
391.9 because the child's parent, guardian, or other person responsible for the child's care in
391.10 good faith selects and depends upon spiritual means or prayer for treatment or care of
391.11 disease or remedial care of the child in lieu of medical care; except that a parent, guardian,
391.12 or caretaker, or a person mandated to report pursuant to subdivision 3, has a duty to report
391.13 if a lack of medical care may cause serious danger to the child's health. This section does
391.14 not impose upon persons, not otherwise legally responsible for providing a child with
391.15 necessary food, clothing, shelter, education, or medical care, a duty to provide that care;

391.16 (6) prenatal exposure to a controlled substance, as defined in section 253B.02,
391.17 subdivision 2, used by the mother for a nonmedical purpose, as evidenced by withdrawal
391.18 symptoms in the child at birth, results of a toxicology test performed on the mother at
391.19 delivery or the child at birth, medical effects or developmental delays during the child's
391.20 first year of life that medically indicate prenatal exposure to a controlled substance, or the
391.21 presence of a fetal alcohol spectrum disorder;

391.22 (7) "medical neglect" as defined in section 260C.007, subdivision 6, clause (5);

391.23 (8) chronic and severe use of alcohol or a controlled substance by a parent or
391.24 person responsible for the care of the child that adversely affects the child's basic needs
391.25 and safety; or

391.26 (9) emotional harm from a pattern of behavior which contributes to impaired
391.27 emotional functioning of the child which may be demonstrated by a substantial and
391.28 observable effect in the child's behavior, emotional response, or cognition that is not
391.29 within the normal range for the child's age and stage of development, with due regard to
391.30 the child's culture.

391.31 (h) "Nonmaltreatment mistake" means:

391.32 (1) at the time of the incident, the individual was performing duties identified in the
391.33 center's child care program plan required under Minnesota Rules, part 9503.0045;

391.34 (2) the individual has not been determined responsible for a similar incident that
391.35 resulted in a finding of maltreatment for at least seven years;

392.1 (3) the individual has not been determined to have committed a similar
392.2 nonmaltreatment mistake under this paragraph for at least four years;

392.3 (4) any injury to a child resulting from the incident, if treated, is treated only with
392.4 remedies that are available over the counter, whether ordered by a medical professional or
392.5 not; and

392.6 (5) except for the period when the incident occurred, the facility and the individual
392.7 providing services were both in compliance with all licensing requirements relevant to the
392.8 incident.

392.9 This definition only applies to child care centers licensed under Minnesota
392.10 Rules, chapter 9503. If clauses (1) to (5) apply, rather than making a determination of
392.11 substantiated maltreatment by the individual, the commissioner of human services shall
392.12 determine that a nonmaltreatment mistake was made by the individual.

392.13 (i) "Operator" means an operator or agency as defined in section 245A.02.

392.14 (j) "Person responsible for the child's care" means (1) an individual functioning
392.15 within the family unit and having responsibilities for the care of the child such as a
392.16 parent, guardian, or other person having similar care responsibilities, or (2) an individual
392.17 functioning outside the family unit and having responsibilities for the care of the child
392.18 such as a teacher, school administrator, other school employees or agents, or other lawful
392.19 custodian of a child having either full-time or short-term care responsibilities including,
392.20 but not limited to, day care, babysitting whether paid or unpaid, counseling, teaching,
392.21 and coaching.

392.22 (k) "Physical abuse" means any physical injury, mental injury, or threatened injury,
392.23 inflicted by a person responsible for the child's care on a child other than by accidental
392.24 means, or any physical or mental injury that cannot reasonably be explained by the child's
392.25 history of injuries, or any aversive or deprivation procedures, or regulated interventions,
392.26 that have not been authorized under section 125A.0942 or 245.825.

392.27 Abuse does not include reasonable and moderate physical discipline of a child
392.28 administered by a parent or legal guardian which does not result in an injury. Abuse does
392.29 not include the use of reasonable force by a teacher, principal, or school employee as
392.30 allowed by section 121A.582. Actions which are not reasonable and moderate include, but
392.31 are not limited to, any of the following:

392.32 (1) throwing, kicking, burning, biting, or cutting a child;

392.33 (2) striking a child with a closed fist;

392.34 (3) shaking a child under age three;

392.35 (4) striking or other actions which result in any nonaccidental injury to a child
392.36 under 18 months of age;

- 393.1 (5) unreasonable interference with a child's breathing;
- 393.2 (6) threatening a child with a weapon, as defined in section 609.02, subdivision 6;
- 393.3 (7) striking a child under age one on the face or head;
- 393.4 (8) striking a child who is at least age one but under age four on the face or head,
- 393.5 which results in an injury;
- 393.6 (9) purposely giving a child poison, alcohol, or dangerous, harmful, or controlled
- 393.7 substances which were not prescribed for the child by a practitioner, in order to control or
- 393.8 punish the child; or other substances that substantially affect the child's behavior, motor
- 393.9 coordination, or judgment or that results in sickness or internal injury, or subjects the
- 393.10 child to medical procedures that would be unnecessary if the child were not exposed
- 393.11 to the substances;
- 393.12 (10) unreasonable physical confinement or restraint not permitted under section
- 393.13 609.379, including but not limited to tying, caging, or chaining; or
- 393.14 (11) in a school facility or school zone, an act by a person responsible for the child's
- 393.15 care that is a violation under section 121A.58.
- 393.16 (l) "Practice of social services," for the purposes of subdivision 3, includes but is
- 393.17 not limited to employee assistance counseling and the provision of guardian ad litem and
- 393.18 parenting time expeditor services.
- 393.19 (m) "Report" means any communication received by the local welfare agency,
- 393.20 police department, county sheriff, or agency responsible for child protection pursuant to
- 393.21 this section that describes neglect or physical or sexual abuse of a child and contains
- 393.22 sufficient content to identify the child and any person believed to be responsible for the
- 393.23 neglect or abuse, if known.
- 393.24 (n) "Sexual abuse" means the subjection of a child by a person responsible for the
- 393.25 child's care, by a person who has a significant relationship to the child, as defined in section
- 393.26 609.341, or by a person in a position of authority, as defined in section 609.341, subdivision
- 393.27 10, to any act which constitutes a violation of section 609.342 (criminal sexual conduct in
- 393.28 the first degree), 609.343 (criminal sexual conduct in the second degree), 609.344 (criminal
- 393.29 sexual conduct in the third degree), 609.345 (criminal sexual conduct in the fourth degree),
- 393.30 or 609.3451 (criminal sexual conduct in the fifth degree). Sexual abuse also includes any
- 393.31 act which involves a minor which constitutes a violation of prostitution offenses under
- 393.32 sections 609.321 to 609.324 or 617.246. Effective May 29, 2017, sexual abuse includes all
- 393.33 reports of known or suspected child sex trafficking involving a child who is identified as a
- 393.34 victim of sex trafficking. Sexual abuse includes child sex trafficking as defined in section
- 393.35 609.321, subdivisions 7a and 7b. Sexual abuse includes threatened sexual abuse which
- 393.36 includes the status of a parent or household member who has committed a violation which

394.1 requires registration as an offender under section 243.166, subdivision 1b, paragraph (a)
394.2 or (b), or required registration under section 243.166, subdivision 1b, paragraph (a) or (b).

394.3 (o) "Substantial child endangerment" means a person responsible for a child's care,
394.4 by act or omission, commits or attempts to commit an act against a child under their
394.5 care that constitutes any of the following:

394.6 (1) egregious harm as defined in section 260C.007, subdivision 14;

394.7 (2) abandonment under section 260C.301, subdivision 2;

394.8 (3) neglect as defined in paragraph (g), clause (2), that substantially endangers the
394.9 child's physical or mental health, including a growth delay, which may be referred to as
394.10 failure to thrive, that has been diagnosed by a physician and is due to parental neglect;

394.11 (4) murder in the first, second, or third degree under section 609.185, 609.19, or
394.12 609.195;

394.13 (5) manslaughter in the first or second degree under section 609.20 or 609.205;

394.14 (6) assault in the first, second, or third degree under section 609.221, 609.222, or
394.15 609.223;

394.16 (7) solicitation, inducement, and promotion of prostitution under section 609.322;

394.17 (8) criminal sexual conduct under sections 609.342 to 609.3451;

394.18 (9) solicitation of children to engage in sexual conduct under section 609.352;

394.19 (10) malicious punishment or neglect or endangerment of a child under section
394.20 609.377 or 609.378;

394.21 (11) use of a minor in sexual performance under section 617.246; or

394.22 (12) parental behavior, status, or condition which mandates that the county attorney
394.23 file a termination of parental rights petition under section 260C.503, subdivision 2.

394.24 (p) "Threatened injury" means a statement, overt act, condition, or status that
394.25 represents a substantial risk of physical or sexual abuse or mental injury. Threatened
394.26 injury includes, but is not limited to, exposing a child to a person responsible for the
394.27 child's care, as defined in paragraph (j), clause (1), who has:

394.28 (1) subjected a child to, or failed to protect a child from, an overt act or condition
394.29 that constitutes egregious harm, as defined in section 260C.007, subdivision 14, or a
394.30 similar law of another jurisdiction;

394.31 (2) been found to be palpably unfit under section 260C.301, subdivision 1, paragraph
394.32 (b), clause (4), or a similar law of another jurisdiction;

394.33 (3) committed an act that has resulted in an involuntary termination of parental rights
394.34 under section 260C.301, or a similar law of another jurisdiction; or

394.35 (4) committed an act that has resulted in the involuntary transfer of permanent
394.36 legal and physical custody of a child to a relative under Minnesota Statutes 2010, section

395.1 260C.201, subdivision 11, paragraph (d), clause (1), section 260C.515, subdivision 4, or a
395.2 similar law of another jurisdiction.

395.3 A child is the subject of a report of threatened injury when the responsible social
395.4 services agency receives birth match data under paragraph (q) from the Department of
395.5 Human Services.

395.6 (q) Upon receiving data under section 144.225, subdivision 2b, contained in a
395.7 birth record or recognition of parentage identifying a child who is subject to threatened
395.8 injury under paragraph (p), the Department of Human Services shall send the data to the
395.9 responsible social services agency. The data is known as "birth match" data. Unless the
395.10 responsible social services agency has already begun an investigation or assessment of the
395.11 report due to the birth of the child or execution of the recognition of parentage and the
395.12 parent's previous history with child protection, the agency shall accept the birth match
395.13 data as a report under this section. The agency may use either a family assessment or
395.14 investigation to determine whether the child is safe. All of the provisions of this section
395.15 apply. If the child is determined to be safe, the agency shall consult with the county
395.16 attorney to determine the appropriateness of filing a petition alleging the child is in need
395.17 of protection or services under section 260C.007, subdivision 6, clause (16), in order to
395.18 deliver needed services. If the child is determined not to be safe, the agency and the county
395.19 attorney shall take appropriate action as required under section 260C.503, subdivision 2.

395.20 (r) Persons who conduct assessments or investigations under this section shall take
395.21 into account accepted child-rearing practices of the culture in which a child participates
395.22 and accepted teacher discipline practices, which are not injurious to the child's health,
395.23 welfare, and safety.

395.24 Sec. 37. Minnesota Statutes 2015 Supplement, section 626.556, subdivision 3c,
395.25 is amended to read:

395.26 Subd. 3c. **Local welfare agency, Department of Human Services or Department**
395.27 **of Health responsible for assessing or investigating reports of maltreatment or death.**

395.28 (a) Except as provided in paragraph (b), the county local welfare agency is the agency
395.29 responsible for assessing or investigating allegations of maltreatment in child foster care
395.30 that do not involve the death of a foster child, family child care, legally unlicensed
395.31 child care, juvenile correctional facilities licensed under section 241.021 located in the
395.32 local welfare agency's county, and reports involving children served by an unlicensed
395.33 personal care provider organization under section 256B.0659. Copies of findings related
395.34 to personal care provider organizations under section 256B.0659 must be forwarded to
395.35 the Department of Human Services provider enrollment.

396.1 (b) The Department of Human Services is the agency responsible for assessing or
396.2 investigating allegations of maltreatment in:

396.3 (1) facilities licensed under chapters 245A and 245D, except for in child foster care
396.4 and family child care homes that are monitored by county agencies according to section
396.5 245A.16, subdivision 1;

396.6 (2) child foster care homes that are monitored by private agencies that have been
396.7 licensed by the commissioner to perform licensing functions and activities according to
396.8 section 245A.16, subdivision 1; and

396.9 (3) child foster care and family child care homes that are monitored by county
396.10 agencies according to section 245A.16, subdivision 1, upon agreement by the county and
396.11 Department of Human Services for a specific case.

396.12 (c) The Department of Human Services is responsible for investigating the death
396.13 of a child placed in a foster care program.

396.14 (d) The Department of Health is the agency responsible for assessing or investigating
396.15 allegations of child maltreatment in facilities licensed under sections 144.50 to 144.58
396.16 ~~and 144A.46.~~

396.17 Sec. 38. Minnesota Statutes 2014, section 626.556, subdivision 3e, is amended to read:

396.18 Subd. 3e. **Agency responsible for assessing or investigating reports of sexual**
396.19 **abuse.** The local welfare agency is the agency responsible for investigating allegations
396.20 of sexual abuse if the alleged offender is the parent, guardian, sibling, or an individual
396.21 functioning within the family unit as a person responsible for the child's care, or a person
396.22 with a significant relationship to the child if that person resides in the child's household.
396.23 Effective May 29, 2017, the local welfare agency is also responsible for investigating
396.24 when a child is identified as a victim of sex trafficking.

396.25 Sec. 39. Minnesota Statutes 2015 Supplement, section 626.556, subdivision 10b,
396.26 is amended to read:

396.27 Subd. 10b. **Duties of commissioner; neglect or, abuse, or death in a facility.** (a)
396.28 This section applies to the commissioners of human services, health, and education. The
396.29 commissioner of the agency responsible for assessing or investigating the report shall
396.30 immediately assess or investigate if the report alleges that:

396.31 (1) a child who is in the care of a facility as defined in subdivision 2 is neglected,
396.32 physically abused, sexually abused, or is the victim of maltreatment in a facility by an
396.33 individual in that facility, or has been so neglected or abused, or been the victim of

397.1 maltreatment in a facility by an individual in that facility within the three years preceding
397.2 the report; or

397.3 (2) a child was neglected, physically abused, sexually abused, or is the victim of
397.4 maltreatment in a facility by an individual in a facility defined in subdivision 2, while in
397.5 the care of that facility within the three years preceding the report.

397.6 The commissioner of the agency responsible for assessing or investigating the
397.7 report shall arrange for the transmittal to the commissioner of reports received by local
397.8 agencies and may delegate to a local welfare agency the duty to investigate reports. In
397.9 conducting an investigation under this section, the commissioner has the powers and
397.10 duties specified for local welfare agencies under this section. The commissioner of the
397.11 agency responsible for assessing or investigating the report or local welfare agency may
397.12 interview any children who are or have been in the care of a facility under investigation
397.13 and their parents, guardians, or legal custodians.

397.14 (b) Prior to any interview, the commissioner of the agency responsible for assessing
397.15 or investigating the report or local welfare agency shall notify the parent, guardian, or legal
397.16 custodian of a child who will be interviewed in the manner provided for in subdivision
397.17 10d, paragraph (a). If reasonable efforts to reach the parent, guardian, or legal custodian
397.18 of a child in an out-of-home placement have failed, the child may be interviewed if there
397.19 is reason to believe the interview is necessary to protect the child or other children in the
397.20 facility. The commissioner of the agency responsible for assessing or investigating the
397.21 report or local agency must provide the information required in this subdivision to the
397.22 parent, guardian, or legal custodian of a child interviewed without parental notification
397.23 as soon as possible after the interview. When the investigation is completed, any parent,
397.24 guardian, or legal custodian notified under this subdivision shall receive the written
397.25 memorandum provided for in subdivision 10d, paragraph (c).

397.26 (c) In conducting investigations under this subdivision the commissioner or local
397.27 welfare agency shall obtain access to information consistent with subdivision 10,
397.28 paragraphs (h), (i), and (j). In conducting assessments or investigations under this
397.29 subdivision, the commissioner of education shall obtain access to reports and investigative
397.30 data that are relevant to a report of maltreatment and are in the possession of a school
397.31 facility as defined in subdivision 2, paragraph (c), notwithstanding the classification of the
397.32 data as educational or personnel data under chapter 13. This includes, but is not limited
397.33 to, school investigative reports, information concerning the conduct of school personnel
397.34 alleged to have committed maltreatment of students, information about witnesses, and any
397.35 protective or corrective action taken by the school facility regarding the school personnel
397.36 alleged to have committed maltreatment.

398.1 (d) The commissioner may request assistance from the local social services agency.

398.2 (e) The commissioner of human services shall investigate every incident involving
398.3 the death of a child during placement in a child foster care home licensed under chapter
398.4 245A and Minnesota Rules, chapter 2960. The investigation, notifications, and data
398.5 classifications are governed by this section, even if abuse or neglect is not alleged or
398.6 determined in the report.

398.7 Sec. 40. Minnesota Statutes 2014, section 626.556, subdivision 10f, is amended to read:

398.8 Subd. 10f. **Notice of determinations.** Within ten working days of the conclusion
398.9 of a family assessment, the local welfare agency shall notify the parent or guardian of
398.10 the child of the need for services to address child safety concerns or significant risk of
398.11 subsequent child maltreatment. The local welfare agency and the family may also jointly
398.12 agree that family support and family preservation services are needed. Within ten working
398.13 days of the conclusion of an investigation, the local welfare agency or agency responsible
398.14 for investigating the report shall notify the parent or guardian of the child, the person
398.15 determined to be maltreating the child, and, if applicable, the director of the facility, of
398.16 the determination and a summary of the specific reasons for the determination. When the
398.17 investigation involves a child foster care setting that is monitored by a private licensing
398.18 agency under section 245A.16, ~~the local welfare agency responsible for investigating the~~
398.19 ~~report~~ Department of Human Services shall notify the private licensing agency of the
398.20 determination and shall provide a summary of the specific reasons for the determination.
398.21 The notice to the private licensing agency must include identifying private data, but not the
398.22 identity of the reporter of maltreatment. The notice must also include a certification that the
398.23 information collection procedures under subdivision 10, paragraphs (h), (i), and (j), were
398.24 followed and a notice of the right of a data subject to obtain access to other private data
398.25 on the subject collected, created, or maintained under this section. In addition, the notice
398.26 shall include the length of time that the records will be kept under subdivision 11c. The
398.27 investigating agency shall notify the parent or guardian of the child who is the subject of
398.28 the report, and any person or facility determined to have maltreated a child, of their appeal
398.29 or review rights under this section. The notice must also state that a finding of maltreatment
398.30 may result in denial of a license application or background study disqualification under
398.31 chapter 245C related to employment or services that are licensed by the Department of
398.32 Human Services under chapter 245A, the Department of Health under chapter 144 or
398.33 144A, the Department of Corrections under section 241.021, and from providing services
398.34 related to an unlicensed personal care provider organization under chapter 256B.

399.1 Sec. 41. **CHILD CARE IS AN ALLOWABLE SERVICE FOR PURPOSES OF**
399.2 **CHILD PROTECTION.**

399.3 The commissioner shall change the brass code related to allowable child protection
399.4 services to include child care.

399.5 Sec. 42. **DIRECTION TO COMMISSIONERS; INCOME AND ASSET**
399.6 **EXCLUSION.**

399.7 (a) The commissioner of human services shall not count payments made to families
399.8 by the income and child development in the first three years of life demonstration
399.9 project as income or assets for purposes of determining or redetermining eligibility for
399.10 child care assistance programs under Minnesota Statutes, chapter 119B; the Minnesota
399.11 family investment program, work benefit program, or diversionary work program under
399.12 Minnesota Statutes, chapter 256J, during the duration of the demonstration.

399.13 (b) The commissioner of human services shall not count payments made to families
399.14 by the income and child development in the first three years of life demonstration project
399.15 as income for purposes of determining or redetermining eligibility for medical assistance
399.16 under Minnesota Statutes, chapter 256B, and MinnesotaCare under Minnesota Statutes,
399.17 chapter 256L.

399.18 (c) For the purposes of this section, "income and child development in the first
399.19 three years of life demonstration project" means a demonstration project funded by the
399.20 United States Department of Health and Human Services National Institutes of Health to
399.21 evaluate whether the unconditional cash payments have a causal effect on the cognitive,
399.22 socioemotional, and brain development of infants and toddlers.

399.23 (d) This section shall only be implemented if Minnesota is chosen as a site for the child
399.24 development in the first three years of life demonstration site, and expires January 1, 2022.

399.25 (e) The commissioner of human services shall provide a report to the legislative
399.26 committees having jurisdiction over human services issues by January 1, 2023, informing
399.27 the legislature on the progress and outcomes of the demonstration under this section.

399.28 **EFFECTIVE DATE.** Paragraph (b) is effective August 16, 2016, or upon federal
399.29 approval, whichever is later.

399.30 Sec. 43. **REVIEW OF CHILD FOSTER CARE PRIVATE AGENCIES.**

399.31 The commissioner of human services shall convene a working group to review the
399.32 impact of removing the licensing responsibilities from private agencies (previously "Rule
399.33 4"), and replacing those duties with responsibilities to provide technical assistance for
399.34 prospective foster care providers, care coordination for children in foster care, and training

400.1 support for foster parents. The commissioner shall submit a report to the 2017 legislative
400.2 committees with jurisdiction over foster care issues by January 15, 2017, with language
400.3 and an analysis of costs associated with these changes.

400.4 Sec. 44. **CHILD CARE LIABILITY INSURANCE REPORT.**

400.5 The commissioner of human services shall conduct a survey and report on existing
400.6 liability insurance and the availability of coverage for family child care license holders.
400.7 The survey shall be conducted from a representative sample of county licensors or current
400.8 license holders. At a minimum, the report must address the following:

400.9 (1) the number of currently licensed family child care providers surveyed who
400.10 have liability insurance;

400.11 (2) the availability, accessibility, and levels and cost of coverage provided for
400.12 personal injury, death, or property damage resulting from the negligent acts or omissions
400.13 related to the provision of services under a family child care license under Minnesota
400.14 Rules, chapter 9502; and

400.15 (3) the regulatory or legislative actions necessary to require that insurance coverage
400.16 is maintained throughout the term of the license.

400.17 The report must be submitted to the chairs and ranking minority members of the
400.18 senate and house of representatives committees with jurisdiction over child care licensing
400.19 policy and finance no later than January 16, 2017.

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

400.21 **ARTICLE 22**

400.22 **MENTAL HEALTH**

400.23 Section 1. Minnesota Statutes 2015 Supplement, section 245.735, subdivision 3,
400.24 is amended to read:

400.25 Subd. 3. ~~Reform projects~~ **Certified community behavioral health clinics.** (a) The
400.26 commissioner shall establish ~~standards for~~ a state certification of clinics as process for
400.27 certified community behavioral health clinics, in accordance (CCBHCs) to be eligible for
400.28 the prospective payment system in paragraph (f). Entities that choose to be CCBHCs must:

400.29 (1) comply with the CCBHC criteria published on or before September 1, 2015, by
400.30 the United States Department of Health and Human Services. Certification standards
400.31 established by the commissioner shall require that;

401.1 ~~(1)~~ (2) employ or contract for clinic staff who have backgrounds in diverse
401.2 disciplines, include including licensed mental health professionals, and staff who are
401.3 culturally and linguistically trained to serve the needs of the clinic's patient population;
401.4 ~~(2)~~ (3) ensure that clinic services are available and accessible to patients of all ages
401.5 and genders and that crisis management services are available 24 hours per day;
401.6 ~~(3)~~ (4) establish fees for clinic services are established for non-medical assistance
401.7 patients using a sliding fee scale and that ensures that services to patients are not denied
401.8 or limited due to a patient's inability to pay for services;
401.9 ~~(4) clinics provide coordination of care across settings and providers to ensure~~
401.10 ~~seamless transitions for patients across the full spectrum of health services, including~~
401.11 ~~acute, chronic, and behavioral needs. Care coordination may be accomplished through~~
401.12 ~~partnerships or formal contracts with federally qualified health centers, inpatient~~
401.13 ~~psychiatric facilities, substance use and detoxification facilities, community-based mental~~
401.14 ~~health providers, and other community services, supports, and providers including~~
401.15 ~~schools, child welfare agencies, juvenile and criminal justice agencies, Indian Health~~
401.16 ~~Services clinics, tribally licensed health care and mental health facilities, urban Indian~~
401.17 ~~health clinics, Department of Veterans Affairs medical centers, outpatient clinics, drop-in~~
401.18 ~~centers, acute care hospitals, and hospital outpatient clinics;~~ (5) comply with quality
401.19 assurance reporting requirements and other reporting requirements, including any required
401.20 reporting of encounter data, clinical outcomes data, and quality data;
401.21 ~~(5) services provided by clinics include~~ (6) provide crisis mental health services,
401.22 withdrawal management services, emergency crisis intervention services, and stabilization
401.23 services; screening, assessment, and diagnosis services, including risk assessments and
401.24 level of care determinations; patient-centered treatment planning; outpatient mental
401.25 health and substance use services; targeted case management; psychiatric rehabilitation
401.26 services; peer support and counselor services and family support services; and intensive
401.27 community-based mental health services, including mental health services for members of
401.28 the armed forces and veterans; and
401.29 ~~(6) clinics comply with quality assurance reporting requirements and other reporting~~
401.30 ~~requirements, including any required reporting of encounter data, clinical outcomes data,~~
401.31 ~~and quality data.~~ (7) provide coordination of care across settings and providers to ensure
401.32 seamless transitions for patients across the full spectrum of health services, including
401.33 acute, chronic, and behavioral needs. Care coordination may be accomplished through
401.34 partnerships or formal contracts with:

402.1 (i) counties, health plans, pharmacists, pharmacies, rural health clinics, federally
402.2 qualified health centers, inpatient psychiatric facilities, substance use and detoxification
402.3 facilities, community-based mental health providers; and

402.4 (ii) other community services, supports, and providers, including schools, child
402.5 welfare agencies, juvenile and criminal justice agencies, Indian health services clinics,
402.6 tribally licensed health care and mental health facilities, urban Indian health clinics,
402.7 Department of Veterans Affairs medical centers, outpatient clinics, drop-in centers, acute
402.8 care hospitals, and hospital outpatient clinics;

402.9 (8) be certified as mental health clinics under section 245.69, subdivision 2;

402.10 (9) comply with standards relating to integrated treatment for co-occurring mental
402.11 illness and substance use disorders in adults or children under Minnesota Rules, chapter
402.12 9533;

402.13 (10) comply with standards relating to mental health services in Minnesota Rules,
402.14 parts 9505.0370 to 9505.0372;

402.15 (11) be licensed to provide chemical dependency treatment under Minnesota Rules,
402.16 parts 9530.6405 to 9530.6505;

402.17 (12) be certified to provide children's therapeutic services and supports under
402.18 section 256B.0943;

402.19 (13) be certified to provide adult rehabilitative mental health services under section
402.20 256B.0623;

402.21 (14) be enrolled to provide mental health crisis response services under section
402.22 256B.0624;

402.23 (15) be enrolled to provide mental health targeted case management under section
402.24 256B.0625, subdivision 20;

402.25 (16) comply with standards relating to mental health case management in Minnesota
402.26 Rules, parts 9520.0900 to 9520.0926; and

402.27 (17) provide services that comply with the evidence-based practices described in
402.28 paragraph (e).

402.29 (b) If an entity is unable to provide one or more of the services listed in paragraph
402.30 (a), clauses (6) to (17), the commissioner may certify the entity as a CCBHC if it has a
402.31 current contract with another entity that has the required authority to provide that service
402.32 and that meets federal CCBHC criteria as a designated collaborating organization; or, to
402.33 the extent allowed by the federal CCBHC criteria, the commissioner may approve a
402.34 referral arrangement. The CCBHC must meet federal requirements regarding the type and
402.35 scope of services to be provided directly by the CCBHC.

403.1 (c) Notwithstanding other law that requires a county contract or other form of county
403.2 approval for certain services listed in paragraph (a), clause (6), a clinic that otherwise
403.3 meets CCBHC requirements may receive the prospective payment under paragraph (f)
403.4 for those services without a county contract or county approval. There is no county
403.5 share when medical assistance pays the CCBHC prospective payment. As part of the
403.6 certification process in paragraph (a), the commissioner shall require a letter of support
403.7 from the CCBHC's host county confirming that the CCBHC and the county or counties it
403.8 serves have an ongoing relationship to facilitate access and continuity of care, especially
403.9 for individuals who are uninsured or who may go on and off medical assistance.

403.10 (d) When the standards listed in paragraph (a) or other applicable standards
403.11 conflict or address similar issues in duplicative or incompatible ways, the commissioner
403.12 may grant variances to state requirements if the variances do not conflict with federal
403.13 requirements. If standards overlap, the commissioner may substitute all or a part of a
403.14 licensure or certification that is substantially the same as another licensure or certification.
403.15 The commissioner shall consult with stakeholders, as described in subdivision 4, before
403.16 granting variances under this provision.

403.17 (e) The commissioner shall issue a list of required evidence-based practices to be
403.18 delivered by certified community behavioral health clinics, and may also provide a list
403.19 of recommended evidence-based practices. The commissioner may update the list to
403.20 reflect advances in outcomes research and medical services for persons living with mental
403.21 illnesses or substance use disorders. The commissioner shall take into consideration the
403.22 adequacy of evidence to support the efficacy of the practice, the quality of workforce
403.23 available, and the current availability of the practice in the state. At least 30 days before
403.24 issuing the initial list and any revisions, the commissioner shall provide stakeholders
403.25 with an opportunity to comment.

403.26 ~~(b)~~ (f) The commissioner shall establish standards and methodologies for a
403.27 prospective payment system for medical assistance payments for mental health services
403.28 delivered by certified community behavioral health clinics, in accordance with guidance
403.29 issued on or before September 1, 2015, by the Centers for Medicare and Medicaid
403.30 Services. During the operation of the demonstration project, payments shall comply with
403.31 federal requirements for a 90 percent an enhanced federal medical assistance percentage.
403.32 The commissioner may include quality bonus payments in the prospective payment
403.33 system based on federal criteria and on a clinic's provision of the evidence-based practices
403.34 in paragraph (e). The prospective payments system does not apply to MinnesotaCare.
403.35 Implementation of the prospective payment system is effective July 1, 2017, or upon
403.36 federal approval, whichever is later.

404.1 (g) The commissioner shall seek federal approval to continue federal financial
404.2 participation in payment for CCBHC services after the federal demonstration period
404.3 ends for clinics that were certified as CCBHCs during the demonstration period and
404.4 that continue to meet the CCBHC certification standards in paragraph (a). Payment
404.5 for CCBHC services shall cease effective July 1, 2019, if continued federal financial
404.6 participation for the payment of CCBHC services cannot be obtained.

404.7 (h) To the extent allowed by federal law, the commissioner may limit the number of
404.8 certified clinics so that the projected claims for certified clinics will not exceed the funds
404.9 budgeted for this purpose. The commissioner shall give preference to clinics that:

404.10 (1) are located in both rural and urban areas, with at least one in each area, as
404.11 defined by federal criteria;

404.12 (2) provide a comprehensive range of services and evidence-based practices for all
404.13 age groups, with services being fully coordinated and integrated; and

404.14 (3) enhance the state's ability to meet the federal priorities to be selected as a
404.15 CCBHC demonstration state.

404.16 (i) The commissioner shall recertify CCBHCs at least every three years. The
404.17 commissioner shall establish a process for decertification and shall require corrective
404.18 action, medical assistance repayment, or decertification of a CCBHC that no longer
404.19 meets the requirements in this section or that fails to meet the standards provided by the
404.20 commissioner in the application and certification process.

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

404.22 Sec. 2. Minnesota Statutes 2015 Supplement, section 245.735, subdivision 4, is
404.23 amended to read:

404.24 Subd. 4. **Public participation.** In developing ~~the projects~~ and implementing
404.25 certified community behavioral health clinics under subdivision 3, the commissioner shall
404.26 consult, collaborate, and partner with stakeholders, including but not limited to mental
404.27 health providers, substance use disorder treatment providers, advocacy organizations,
404.28 licensed mental health professionals, counties, tribes, hospitals, other health care
404.29 providers, and Minnesota public health care program enrollees who receive mental health
404.30 services and their families.

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

404.32 Sec. 3. Minnesota Statutes 2014, section 245.99, subdivision 2, is amended to read:

405.1 Subd. 2. **Rental assistance.** The program shall pay up to 90 days of housing
405.2 assistance for persons with a serious ~~and persistent~~ mental illness who require inpatient or
405.3 residential care for stabilization. The commissioner of human services may extend the
405.4 length of assistance on a case-by-case basis.

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

405.6 Sec. 4. Minnesota Statutes 2014, section 254B.01, subdivision 4a, is amended to read:

405.7 Subd. 4a. **Culturally specific program.** (a) "Culturally specific program" means a
405.8 substance use disorder treatment service program or subprogram that is recovery-focused
405.9 and culturally specific when the program:

405.10 (1) improves service quality to and outcomes of a specific population by advancing
405.11 health equity to help eliminate health disparities; and

405.12 (2) ensures effective, equitable, comprehensive, and respectful quality care services
405.13 that are responsive to an individual within a specific population's values, beliefs and
405.14 practices, health literacy, preferred language, and other communication needs.

405.15 (b) A tribally licensed substance use disorder program that is designated as serving
405.16 a culturally specific population by the applicable tribal government is deemed to satisfy
405.17 this subdivision.

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

405.19 Sec. 5. Minnesota Statutes 2014, section 254B.03, subdivision 4, is amended to read:

405.20 Subd. 4. **Division of costs.** (a) Except for services provided by a county under
405.21 section 254B.09, subdivision 1, or services provided under section 256B.69 ~~or 256D.03,~~
405.22 ~~subdivision 4, paragraph (b),~~ the county shall, out of local money, pay the state for 22.95
405.23 percent of the cost of chemical dependency services, including those services provided to
405.24 persons eligible for medical assistance under chapter 256B and general assistance medical
405.25 care under chapter 256D. Counties may use the indigent hospitalization levy for treatment
405.26 and hospital payments made under this section.

405.27 (b) 22.95 percent of any state collections from private or third-party pay, less 15
405.28 percent for the cost of payment and collections, must be distributed to the county that paid
405.29 for a portion of the treatment under this section.

405.30 (c) For fiscal year 2017 only, the 22.95 percentages under paragraphs (a) and (b)
405.31 are equal to 15 percent.

405.32 Sec. 6. Minnesota Statutes 2014, section 254B.04, subdivision 2a, is amended to read:

406.1 Subd. 2a. **Eligibility for treatment in residential settings.** Notwithstanding
406.2 provisions of Minnesota Rules, part 9530.6622, subparts 5 and 6, related to an assessor's
406.3 discretion in making placements to residential treatment settings, a person eligible for
406.4 services under this section must score at level 4 on assessment dimensions related to
406.5 relapse, continued use, or recovery environment in order to be assigned to services with a
406.6 room and board component reimbursed under this section. Whether a treatment facility
406.7 has been designated an institution for mental diseases under United States Code, title 42,
406.8 section 1396d, shall not be a factor in making placements.

406.9 Sec. 7. Minnesota Statutes 2015 Supplement, section 254B.05, subdivision 5, is
406.10 amended to read:

406.11 Subd. 5. **Rate requirements.** (a) The commissioner shall establish rates for
406.12 chemical dependency services and service enhancements funded under this chapter.

406.13 (b) Eligible chemical dependency treatment services include:

406.14 (1) outpatient treatment services that are licensed according to Minnesota Rules,
406.15 parts 9530.6405 to 9530.6480, or applicable tribal license;

406.16 (2) medication-assisted therapy services that are licensed according to Minnesota
406.17 Rules, parts 9530.6405 to 9530.6480 and 9530.6500, or applicable tribal license;

406.18 (3) medication-assisted therapy plus enhanced treatment services that meet the
406.19 requirements of clause (2) and provide nine hours of clinical services each week;

406.20 (4) high, medium, and low intensity residential treatment services that are licensed
406.21 according to Minnesota Rules, parts 9530.6405 to 9530.6480 and 9530.6505, or applicable
406.22 tribal license which provide, respectively, 30, 15, and five hours of clinical services each
406.23 week;

406.24 (5) hospital-based treatment services that are licensed according to Minnesota Rules,
406.25 parts 9530.6405 to 9530.6480, or applicable tribal license and licensed as a hospital under
406.26 sections 144.50 to 144.56;

406.27 (6) adolescent treatment programs that are licensed as outpatient treatment programs
406.28 according to Minnesota Rules, parts 9530.6405 to 9530.6485, or as residential treatment
406.29 programs according to Minnesota Rules, parts 2960.0010 to 2960.0220, and 2960.0430
406.30 to 2960.0490, or applicable tribal license;

406.31 (7) high-intensity residential treatment services that are licensed according to
406.32 Minnesota Rules, parts 9530.6405 to 9530.6480 and 9530.6505, or applicable tribal
406.33 license, which provide 30 hours of clinical services each week provided by a state-operated
406.34 vendor or to clients who have been civilly committed to the commissioner, present the
406.35 most complex and difficult care needs, and are a potential threat to the community; and

- 407.1 (8) room and board facilities that meet the requirements of subdivision 1a.
- 407.2 (c) The commissioner shall establish higher rates for programs that meet the
407.3 requirements of paragraph (b) and one of the following additional requirements:
- 407.4 (1) programs that serve parents with their children if the program:
- 407.5 (i) provides on-site child care during the hours of treatment activity that:
- 407.6 (A) is licensed under chapter 245A as a child care center under Minnesota Rules,
407.7 chapter 9503; or
- 407.8 (B) meets the licensure exclusion criteria of section 245A.03, subdivision 2,
407.9 paragraph (a), clause (6), and meets the requirements under Minnesota Rules, part
407.10 9530.6490, subpart 4; or
- 407.11 (ii) arranges for off-site child care during hours of treatment activity at a facility that
407.12 is licensed under chapter 245A as:
- 407.13 (A) a child care center under Minnesota Rules, chapter 9503; or
- 407.14 (B) a family child care home under Minnesota Rules, chapter 9502;
- 407.15 (2) culturally specific programs as defined in section 254B.01, subdivision 4a, or
407.16 programs or subprograms serving special populations, if the program or subprogram meets
407.17 the following requirements in Minnesota Rules, part 9530.6605, subpart 13;
- 407.18 (i) is designed to address the unique needs of individuals who share a common
407.19 language, racial, ethnic, or social background;
- 407.20 (ii) is governed with significant input from individuals of that specific background;
407.21 and
- 407.22 (iii) employs individuals to provide individual or group therapy, at least 50 percent
407.23 of whom are of that specific background, except when the common social background of
407.24 the individuals served is a traumatic brain injury or cognitive disability and the program
407.25 employs treatment staff who have the necessary professional training, as approved by the
407.26 commissioner, to serve clients with the specific disabilities that the program is designed
407.27 to serve;
- 407.28 (3) programs that offer medical services delivered by appropriately credentialed
407.29 health care staff in an amount equal to two hours per client per week if the medical
407.30 needs of the client and the nature and provision of any medical services provided are
407.31 documented in the client file; and
- 407.32 (4) programs that offer services to individuals with co-occurring mental health and
407.33 chemical dependency problems if:
- 407.34 (i) the program meets the co-occurring requirements in Minnesota Rules, part
407.35 9530.6495;

408.1 (ii) 25 percent of the counseling staff are licensed mental health professionals, as
408.2 defined in section 245.462, subdivision 18, clauses (1) to (6), or are students or licensing
408.3 candidates under the supervision of a licensed alcohol and drug counselor supervisor and
408.4 licensed mental health professional, except that no more than 50 percent of the mental
408.5 health staff may be students or licensing candidates with time documented to be directly
408.6 related to provisions of co-occurring services;

408.7 (iii) clients scoring positive on a standardized mental health screen receive a mental
408.8 health diagnostic assessment within ten days of admission;

408.9 (iv) the program has standards for multidisciplinary case review that include a
408.10 monthly review for each client that, at a minimum, includes a licensed mental health
408.11 professional and licensed alcohol and drug counselor, and their involvement in the review
408.12 is documented;

408.13 (v) family education is offered that addresses mental health and substance abuse
408.14 disorders and the interaction between the two; and

408.15 (vi) co-occurring counseling staff ~~will~~ shall receive eight hours of co-occurring
408.16 disorder training annually.

408.17 (d) In order to be eligible for a higher rate under paragraph (c), clause (1), a program
408.18 that provides arrangements for off-site child care must maintain current documentation at
408.19 the chemical dependency facility of the child care provider's current licensure to provide
408.20 child care services. Programs that provide child care according to paragraph (c), clause
408.21 (1), must be deemed in compliance with the licensing requirements in Minnesota Rules,
408.22 part 9530.6490.

408.23 (e) Adolescent residential programs that meet the requirements of Minnesota
408.24 Rules, parts 2960.0430 to 2960.0490 and 2960.0580 to 2960.0690, are exempt from the
408.25 requirements in paragraph (c), clause (4), items (i) to (iv).

408.26 (f) Subject to federal approval, chemical dependency services that are otherwise
408.27 covered as direct face-to-face services may be provided via two-way interactive video.
408.28 The use of two-way interactive video must be medically appropriate to the condition and
408.29 needs of the person being served. Reimbursement shall be at the same rates and under the
408.30 same conditions that would otherwise apply to direct face-to-face services. The interactive
408.31 video equipment and connection must comply with Medicare standards in effect at the
408.32 time the service is provided.

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

408.34 Sec. 8. Minnesota Statutes 2014, section 254B.06, subdivision 2, is amended to read:

409.1 Subd. 2. **Allocation of collections.** (a) The commissioner shall allocate all federal
409.2 financial participation collections to a special revenue account. The commissioner shall
409.3 allocate 77.05 percent of patient payments and third-party payments to the special revenue
409.4 account and 22.95 percent to the county financially responsible for the patient.

409.5 (b) For fiscal year 2017 only, the percentage under paragraph (a) that the
409.6 commissioner shall pay is 85 percent, and the percentage the county shall pay is 15 percent.

409.7 Sec. 9. Minnesota Statutes 2014, section 254B.06, is amended by adding a subdivision
409.8 to read:

409.9 Subd. 4. **Reimbursement for institutions for mental diseases.** The commissioner
409.10 shall not deny reimbursement to a program designated as an institution for mental diseases
409.11 under United States Code, title 42, section 1396d, due to a reduction in federal financial
409.12 participation and the addition of new residential beds.

409.13 Sec. 10. Minnesota Statutes 2014, section 256B.0621, subdivision 10, is amended to
409.14 read:

409.15 Subd. 10. **Payment rates.** The commissioner shall set payment rates for targeted
409.16 case management under this subdivision. Case managers may bill according to the
409.17 following criteria:

409.18 (1) for relocation targeted case management, case managers may bill for direct case
409.19 management activities, including face-to-face ~~and~~ telephone contacts, and interactive
409.20 video contact in accordance with section 256B.0924, subdivision 4a, in the lesser of:

409.21 (i) 180 days preceding an eligible recipient's discharge from an institution; or

409.22 (ii) the limits and conditions which apply to federal Medicaid funding for this service;

409.23 (2) for home care targeted case management, case managers may bill for direct case
409.24 management activities, including face-to-face and telephone contacts; and

409.25 (3) billings for targeted case management services under this subdivision shall not
409.26 duplicate payments made under other program authorities for the same purpose.

409.27 Sec. 11. Minnesota Statutes 2014, section 256B.0622, is amended by adding a
409.28 subdivision to read:

409.29 Subd. 12. **Start-up grants.** The commissioner may, within available appropriations,
409.30 disburse grant funding to counties, Indian tribes, or mental health service providers to
409.31 establish additional assertive community treatment teams, intensive residential treatment
409.32 services, or crisis residential services.

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

410.1 Sec. 12. Minnesota Statutes 2015 Supplement, section 256B.0625, subdivision 20,
410.2 is amended to read:

410.3 Subd. 20. **Mental health case management.** (a) To the extent authorized by rule
410.4 of the state agency, medical assistance covers case management services to persons with
410.5 serious and persistent mental illness and children with severe emotional disturbance.
410.6 Services provided under this section must meet the relevant standards in sections 245.461
410.7 to 245.4887, the Comprehensive Adult and Children's Mental Health Acts, Minnesota
410.8 Rules, parts 9520.0900 to 9520.0926, and 9505.0322, excluding subpart 10.

410.9 (b) Entities meeting program standards set out in rules governing family community
410.10 support services as defined in section 245.4871, subdivision 17, are eligible for medical
410.11 assistance reimbursement for case management services for children with severe
410.12 emotional disturbance when these services meet the program standards in Minnesota
410.13 Rules, parts 9520.0900 to 9520.0926 and 9505.0322, excluding subparts 6 and 10.

410.14 (c) Medical assistance and MinnesotaCare payment for mental health case
410.15 management shall be made on a monthly basis. In order to receive payment for an eligible
410.16 child, the provider must document at least a face-to-face contact with the child, the child's
410.17 parents, or the child's legal representative. To receive payment for an eligible adult, the
410.18 provider must document:

410.19 (1) at least a face-to-face contact with the adult or the adult's legal representative or a
410.20 contact by interactive video that meets the requirements of subdivision 20b; or

410.21 (2) at least a telephone contact with the adult or the adult's legal representative
410.22 and document a face-to-face contact or a contact by interactive video that meets the
410.23 requirements of subdivision 20b with the adult or the adult's legal representative within
410.24 the preceding two months.

410.25 (d) Payment for mental health case management provided by county or state staff
410.26 shall be based on the monthly rate methodology under section 256B.094, subdivision 6,
410.27 paragraph (b), with separate rates calculated for child welfare and mental health, and
410.28 within mental health, separate rates for children and adults.

410.29 (e) Payment for mental health case management provided by Indian health services
410.30 or by agencies operated by Indian tribes may be made according to this section or other
410.31 relevant federally approved rate setting methodology.

410.32 (f) Payment for mental health case management provided by vendors who contract
410.33 with a county or Indian tribe shall be based on a monthly rate negotiated by the host county
410.34 or tribe. The negotiated rate must not exceed the rate charged by the vendor for the same
410.35 service to other payers. If the service is provided by a team of contracted vendors, the
410.36 county or tribe may negotiate a team rate with a vendor who is a member of the team. The

411.1 team shall determine how to distribute the rate among its members. No reimbursement
411.2 received by contracted vendors shall be returned to the county or tribe, except to reimburse
411.3 the county or tribe for advance funding provided by the county or tribe to the vendor.

411.4 (g) If the service is provided by a team which includes contracted vendors, tribal
411.5 staff, and county or state staff, the costs for county or state staff participation in the team
411.6 shall be included in the rate for county-provided services. In this case, the contracted
411.7 vendor, the tribal agency, and the county may each receive separate payment for services
411.8 provided by each entity in the same month. In order to prevent duplication of services,
411.9 each entity must document, in the recipient's file, the need for team case management and
411.10 a description of the roles of the team members.

411.11 (h) Notwithstanding section 256B.19, subdivision 1, the nonfederal share of costs
411.12 for mental health case management shall be provided by the recipient's county of
411.13 responsibility, as defined in sections 256G.01 to 256G.12, from sources other than federal
411.14 funds or funds used to match other federal funds. If the service is provided by a tribal
411.15 agency, the nonfederal share, if any, shall be provided by the recipient's tribe. When this
411.16 service is paid by the state without a federal share through fee-for-service, 50 percent of
411.17 the cost shall be provided by the recipient's county of responsibility.

411.18 (i) Notwithstanding any administrative rule to the contrary, prepaid medical
411.19 assistance, general assistance medical care, and MinnesotaCare include mental health case
411.20 management. When the service is provided through prepaid capitation, the nonfederal
411.21 share is paid by the state and the county pays no share.

411.22 (j) The commissioner may suspend, reduce, or terminate the reimbursement to a
411.23 provider that does not meet the reporting or other requirements of this section. The county
411.24 of responsibility, as defined in sections 256G.01 to 256G.12, or, if applicable, the tribal
411.25 agency, is responsible for any federal disallowances. The county or tribe may share this
411.26 responsibility with its contracted vendors.

411.27 (k) The commissioner shall set aside a portion of the federal funds earned for county
411.28 expenditures under this section to repay the special revenue maximization account under
411.29 section 256.01, subdivision 2, paragraph (o). The repayment is limited to:

411.30 (1) the costs of developing and implementing this section; and

411.31 (2) programming the information systems.

411.32 (l) Payments to counties and tribal agencies for case management expenditures
411.33 under this section shall only be made from federal earnings from services provided
411.34 under this section. When this service is paid by the state without a federal share through
411.35 fee-for-service, 50 percent of the cost shall be provided by the state. Payments to

412.1 county-contracted vendors shall include the federal earnings, the state share, and the
412.2 county share.

412.3 (m) Case management services under this subdivision do not include therapy,
412.4 treatment, legal, or outreach services.

412.5 (n) If the recipient is a resident of a nursing facility, intermediate care facility, or
412.6 hospital, and the recipient's institutional care is paid by medical assistance, payment for
412.7 case management services under this subdivision is limited to the lesser of:

412.8 (1) the last 180 days of the recipient's residency in that facility and may not exceed
412.9 more than six months in a calendar year; or

412.10 (2) the limits and conditions which apply to federal Medicaid funding for this service.

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

412.13 (p) If the recipient is receiving care in a hospital, nursing facility, or residential
412.14 setting licensed under chapter 245A or 245D that is staffed 24 hours per day, seven days
412.15 per week, mental health targeted case management services are expected to actively
412.16 support identification of community alternatives for the recipient and discharge planning.

412.17 Sec. 13. Minnesota Statutes 2014, section 256B.0625, is amended by adding a
412.18 subdivision to read:

412.19 Subd. 20b. **Mental health targeted case management through interactive video.**

412.20 (a) Subject to federal approval, contact made for targeted case management by interactive
412.21 video shall be eligible for payment if:

412.22 (1) the person receiving targeted case management services is residing in:

412.23 (i) a hospital;

412.24 (ii) a nursing facility; or

412.25 (iii) a residential setting licensed under chapter 245A or 245D, or a boarding and
412.26 lodging establishment or lodging establishment that provides supportive services or health
412.27 supervision services according to section 157.17, which is staffed 24 hours per day, seven
412.28 days per week;

412.29 (2) interactive video is in the best interests of the person and is deemed appropriate
412.30 by the person receiving targeted case management or their legal guardian, the case
412.31 management provider, and the provider operating the setting where the person is residing;

412.32 (3) the use of interactive video is approved as part of the person's written personal
412.33 service or case plan taking into consideration the person's vulnerability and active personal
412.34 relationships; and

413.1 (4) interactive video is used for up to, but not more than, 50 percent of the minimum
413.2 required face-to-face contacts.

413.3 (b) The person receiving targeted case management or their legal guardian has the
413.4 right to choose and consent to the use of interactive video under this subdivision, and has
413.5 the right to refuse the use of interactive video at any time.

413.6 (c) The commissioner shall establish criteria that a targeted case management
413.7 provider must attest to in order to demonstrate the safety or efficacy of delivering the service
413.8 via interactive video. The attestation may include that the case management provider:

413.9 (1) has written policies and procedures specific to interactive video services that are
413.10 regularly reviewed and updated;

413.11 (2) has polices and procedures that adequately address client safety before, during,
413.12 and after the interactive video service is rendered;

413.13 (3) has established protocols addressing how and when to discontinue interactive
413.14 video services; and

413.15 (4) has an established quality assurance process related to interactive video services.

413.16 (d) As a condition of payment, the targeted case management provider must
413.17 document each occurrence of targeted case management provided by interactive video
413.18 and must document:

413.19 (1) the time the service began and the time the service ended, including an a.m. and
413.20 p.m. designation;

413.21 (2) the basis for determining that interactive video is an appropriate and effective
413.22 means for delivering the service to the enrollees;

413.23 (3) the mode of transmission of the interactive video service and records evidencing
413.24 that a particular mode of transmission was utilized;

413.25 (4) the location of the originating site and the distant site; and

413.26 (5) compliance with the criteria attested to by the health care provider in accordance
413.27 with paragraph (c).

413.28 Sec. 14. Minnesota Statutes 2014, section 256B.0924, is amended by adding a
413.29 subdivision to read:

413.30 Subd. 4a. **Targeted case management through interactive video.** (a) Subject to
413.31 federal approval, contact made for targeted case management by interactive video shall be
413.32 eligible for payment if:

413.33 (1) the person receiving targeted case management services is residing in:

413.34 (i) a hospital;

413.35 (ii) a nursing facility; or

414.1 (iii) a residential setting licensed under chapter 245A or 245D, or a boarding and
414.2 lodging establishment or lodging establishment that provides supportive services or
414.3 health supervision services according to section 157.17, and that is staffed 24 hours per
414.4 day, seven days per week;

414.5 (2) interactive video is in the best interests of the person and is deemed appropriate
414.6 by the person receiving targeted case management or their legal guardian, the case
414.7 management provider, and the provider operating the setting where the person is residing;

414.8 (3) the use of interactive video is approved as part of the person's written personal
414.9 service or case plan; and

414.10 (4) interactive video is used for up to, but not more than, 50 percent of the minimum
414.11 required face-to-face contacts.

414.12 (b) The person receiving targeted case management or their legal guardian has the
414.13 right to choose and consent to the use of interactive video under this subdivision, and has
414.14 the right to refuse the use of interactive video at any time.

414.15 (c) The commissioner shall establish criteria that a targeted case management
414.16 provider must attest to in order to demonstrate the safety or efficacy of delivering the service
414.17 via interactive video. The attestation may include that the case management provider:

414.18 (1) has written policies and procedures specific to interactive video services that are
414.19 regularly reviewed and updated;

414.20 (2) has polices and procedures that adequately address client safety before, during,
414.21 and after the interactive video service is rendered;

414.22 (3) has established protocols addressing how and when to discontinue interactive
414.23 video services; and

414.24 (4) has an established quality assurance process related to interactive video services.

414.25 (d) As a condition of payment, the targeted case management provider must
414.26 document each occurrence of targeted case management provided by interactive video
414.27 and must document:

414.28 (1) the time the service began and the time the service ended, including an a.m. and
414.29 p.m. designation;

414.30 (2) the basis for determining that interactive video is an appropriate and effective
414.31 means for delivering the service to the enrollees;

414.32 (3) the mode of transmission of the interactive video service and records evidencing
414.33 that a particular mode of transmission was utilized;

414.34 (4) the location of the originating site and the distant site; and

414.35 (5) compliance with the criteria attested to by the health care provider in accordance
414.36 with paragraph (c).

415.1 Sec. 15. **CHILDREN'S MENTAL HEALTH COLLABORATIVE; YOUTH AND**
415.2 **YOUNG ADULT MENTAL HEALTH DEMONSTRATION PROJECT.**

415.3 (a) The commissioner of human services shall grant funds to a children's mental
415.4 health collaborative for a rural demonstration project to assist transition-aged youth and
415.5 young adults with emotional behavioral disturbance (EBD) or mental illnesses in making
415.6 a successful transition into adulthood.

415.7 (b) The demonstration project must:

415.8 (1) build on and streamline transition services by identifying rural youth ages 15 to
415.9 25 currently in the mental health system or with emerging mental health conditions;

415.10 (2) support youth to achieve, within their potential, their personal goals in
415.11 employment, education, housing, and community life functioning;

415.12 (3) provide individualized motivational coaching;

415.13 (4) build on needed social supports;

415.14 (5) demonstrate how services can be enhanced for youth to successfully navigate the
415.15 complexities associated with their unique needs;

415.16 (6) utilize all available funding streams;

415.17 (7) demonstrate collaboration with the local children's mental health collaborative in
415.18 designing and implementing the demonstration project;

415.19 (8) evaluate the effectiveness of the project by specifying and measuring outcomes
415.20 showing the level of progress for involved youth; and

415.21 (9) compare differences in outcomes and costs to youth without previous access
415.22 to this project.

415.23 (c) The commissioner shall report to the committee members of the senate and house
415.24 of representatives committees with jurisdiction over mental health issues on the status and
415.25 outcomes of the demonstration project by January 15, 2019. The children's mental health
415.26 collaborative administering the demonstration project shall collect and report outcome
415.27 data, as outlined by the commissioner, to support the development of this report.

415.28 Sec. 16. **COMMISSIONER DUTY TO SEEK FEDERAL APPROVAL FOR**
415.29 **INTERACTIVE VIDEO CONTACT.**

415.30 The commissioner of human services shall seek federal approval that is necessary to
415.31 implement the sections of this article related to reimbursement for interactive video contact.

ARTICLE 23**DIRECT CARE AND TREATMENT**

416.1

416.2

416.3 Section 1. Minnesota Statutes 2015 Supplement, section 245.4889, subdivision 1,
416.4 is amended to read:

416.5 Subdivision 1. **Establishment and authority.** (a) The commissioner is authorized
416.6 to make grants from available appropriations to assist:

416.7 (1) counties;

416.8 (2) Indian tribes;

416.9 (3) children's collaboratives under section 124D.23 or 245.493; or

416.10 (4) mental health service providers.

416.11 (b) The following services are eligible for grants under this section:

416.12 (1) services to children with emotional disturbances as defined in section 245.4871,
416.13 subdivision 15, and their families;

416.14 (2) transition services under section 245.4875, subdivision 8, for young adults under
416.15 age 21 and their families;

416.16 (3) respite care services for children with severe emotional disturbances who are at
416.17 risk of out-of-home placement;

416.18 (4) children's mental health crisis services;

416.19 (5) mental health services for people from cultural and ethnic minorities;

416.20 (6) children's mental health screening and follow-up diagnostic assessment and
416.21 treatment;

416.22 (7) services to promote and develop the capacity of providers to use evidence-based
416.23 practices in providing children's mental health services;

416.24 (8) school-linked mental health services;

416.25 (9) building evidence-based mental health intervention capacity for children birth to
416.26 age five;

416.27 (10) suicide prevention and counseling services that use text messaging statewide;

416.28 (11) mental health first aid training;

416.29 (12) training for parents, collaborative partners, and mental health providers on the
416.30 impact of adverse childhood experiences and trauma and development of an interactive
416.31 Web site to share information and strategies to promote resilience and prevent trauma;

416.32 (13) transition age services to develop or expand mental health treatment and
416.33 supports for adolescents and young adults 26 years of age or younger;

416.34 (14) early childhood mental health consultation;

417.1 (15) evidence-based interventions for youth at risk of developing or experiencing a
417.2 first episode of psychosis, and a public awareness campaign on the signs and symptoms of
417.3 psychosis; ~~and~~

417.4 (16) psychiatric consultation for primary care practitioners; and

417.5 (17) sustaining extended-stay inpatient psychiatric hospital services for children
417.6 and adolescents.

417.7 (c) Services under paragraph (b) must be designed to help each child to function and
417.8 remain with the child's family in the community and delivered consistent with the child's
417.9 treatment plan. Transition services to eligible young adults under paragraph (b) must be
417.10 designed to foster independent living in the community.

417.11 Sec. 2. Minnesota Statutes 2014, section 246.50, subdivision 7, is amended to read:

417.12 Subd. 7. **Client's county.** "Client's county" means the county of the client's legal
417.13 settlement for poor relief purposes at the time of commitment or voluntary admission to a
417.14 state facility, or if the client has no such legal settlement in this state, it means the county
417.15 of commitment financial responsibility under chapter 256G, except that where a client
417.16 with no such legal settlement residence in this state is committed while serving a sentence
417.17 at a penal institution, it means the county from which the client was sentenced.

417.18 Sec. 3. Minnesota Statutes 2014, section 246.54, as amended by Laws 2015, chapter
417.19 71, article 4, section 2, is amended to read:

417.20 **246.54 LIABILITY OF COUNTY; REIMBURSEMENT.**

417.21 Subdivision 1. ~~County portion for cost of care~~ **Generally.** (a) Except for chemical
417.22 dependency services provided under sections 254B.01 to 254B.09, the client's county
417.23 shall pay to the state of Minnesota a portion of the cost of care provided in a regional
417.24 treatment center or a state nursing facility to a client legally settled in that county. A
417.25 county's payment shall be made from the county's own sources of revenue and payments
417.26 shall equal a percentage of the cost of care, as determined by the commissioner, for each
417.27 day, or the portion thereof, that the client spends at a regional treatment center or a state
417.28 nursing facility ~~according to the following schedule:~~

417.29 Subd. 1a. **Anoka Metro Regional Treatment Center.** (a) A county's payment of
417.30 the cost of care provided at Anoka Metro Regional Treatment Center shall be according to
417.31 the following schedule:

417.32 (1) zero percent for the first 30 days;

417.33 (2) 20 percent for days 31 and over if the stay is determined to be clinically
417.34 appropriate for the client; and

418.1 (3) 100 percent for each day during the stay, including the day of admission, when
418.2 the facility determines that it is clinically appropriate for the client to be discharged.

418.3 (b) If payments received by the state under sections 246.50 to 246.53 exceed 80
418.4 percent of the cost of care for days over 31 for clients who meet the criteria in paragraph
418.5 (a), clause (2), the county shall be responsible for paying the state only the remaining
418.6 amount. The county shall not be entitled to reimbursement from the client, the client's
418.7 estate, or from the client's relatives, except as provided in section 246.53.

418.8 Subd. 1b. **Community behavioral health hospitals.** A county's payment of the
418.9 cost of care provided at state-operated community-based behavioral health hospitals shall
418.10 be according to the following schedule:

418.11 (1) 100 percent for each day during the stay, including the day of admission, when
418.12 the facility determines that it is clinically appropriate for the client to be discharged; and

418.13 (2) the county shall not be entitled to reimbursement from the client, the client's
418.14 estate, or from the client's relatives, except as provided in section 246.53.

418.15 Subd. 1c. **State-operated forensic services.** A county's payment of the cost of care
418.16 provided at state-operated forensic services shall be according to the following schedule:

418.17 (1) Minnesota Security Hospital: ten percent for each day, or portion thereof, that the
418.18 client spends in a Minnesota Security Hospital program. If payments received by the state
418.19 under sections 246.50 to 246.53 for services provided at the Minnesota Security Hospital
418.20 exceed 90 percent of the cost of care, the county shall be responsible for paying the state
418.21 only the remaining amount. The county shall not be entitled to reimbursement from the
418.22 client, the client's estate, or the client's relatives except as provided in section 246.53;

418.23 (2) forensic nursing home: ten percent for each day, or portion thereof, that the client
418.24 spends in a forensic nursing home program. If payments received by the state under
418.25 sections 246.50 to 246.53 for services provided at the forensic nursing home exceed 90
418.26 percent of the cost of care, the county shall be responsible for paying the state only the
418.27 remaining amount. The county shall not be entitled to reimbursement from the client, the
418.28 client's estate, or the client's relatives except as provided in section 246.53;

418.29 (3) forensic transition services: 50 percent for each day, or portion thereof, that the
418.30 client spends in the forensic transition services program. If payments received by the state
418.31 under sections 246.50 to 246.53 for services provided in the forensic transition services
418.32 exceed 50 percent of the cost of care, the county shall be responsible for paying the state
418.33 only the remaining amount. The county shall not be entitled to reimbursement from the
418.34 client, the client's estate, or the client's relatives except as provided in section 246.53; and

418.35 (4) residential competency restoration program:

419.1 (i) 20 percent for each day, or portion thereof, that the client spends in a residential
 419.2 competency restoration program while the client is in need of restoration services;

419.3 (ii) 50 percent for each day, or portion thereof, that the client spends in a residential
 419.4 competency restoration program once the examiner opines that the client no longer needs
 419.5 restoration services; and

419.6 (iii) 100 percent for each day, or portion thereof, once charges against a client have
 419.7 been resolved or dropped.

419.8 Subd. 2. **Exceptions.** ~~(a) Subdivision 1 does not apply to services provided at the~~
 419.9 ~~Minnesota Security Hospital. For services at the Minnesota Security Hospital, a county's~~
 419.10 ~~payment shall be made from the county's own sources of revenue and payments. Excluding~~
 419.11 ~~the state-operated forensic transition service, payments to the state from the county shall~~
 419.12 ~~equal ten percent of the cost of care, as determined by the commissioner, for each day, or~~
 419.13 ~~the portion thereof, that the client spends at the facility. For the state-operated forensic~~
 419.14 ~~transition service, payments to the state from the county shall equal 50 percent of the cost of~~
 419.15 ~~care, as determined by the commissioner, for each day, or the portion thereof, that the client~~
 419.16 ~~spends in the program. If payments received by the state under sections 246.50 to 246.53~~
 419.17 ~~for services provided at the Minnesota Security Hospital, excluding the state-operated~~
 419.18 ~~forensic transition service, exceed 90 percent of the cost of care, the county shall be~~
 419.19 ~~responsible for paying the state only the remaining amount. If payments received by the~~
 419.20 ~~state under sections 246.50 to 246.53 for the state-operated forensic transition service~~
 419.21 ~~exceed 50 percent of the cost of care, the county shall be responsible for paying the state~~
 419.22 ~~only the remaining amount. The county shall not be entitled to reimbursement from the~~
 419.23 ~~client, the client's estate, or from the client's relatives, except as provided in section 246.53.~~

419.24 ~~(b) Regardless of the facility to which the client is committed, subdivision 1 does~~
 419.25 ~~subdivisions 1, 1a, 1b, and 1c, do not apply to the following individuals:~~

419.26 (1) clients who are committed as sexual psychopathic personalities under section
 419.27 253D.02, subdivision 15; and

419.28 (2) clients who are committed as sexually dangerous persons under section 253D.02,
 419.29 subdivision 16.

419.30 Sec. 4. Minnesota Statutes 2014, section 246B.01, subdivision 1b, is amended to read:

419.31 Subd. 1b. **Civilly committed sex offender's county.** "Civilly committed sex
 419.32 offender's county" means the county of the civilly committed sex offender's legal
 419.33 settlement for poor relief purposes at the time of commitment. ~~If the civilly committed~~
 419.34 ~~sex offender has no legal settlement for poor relief in this state, it means the county of~~
 419.35 ~~commitment financial responsibility under chapter 256G, except that when a civilly~~

420.1 committed sex offender with no ~~legal settlement for poor relief~~ residence in this state is
420.2 committed while serving a sentence at a penal institution, it means the county from which
420.3 the civilly committed sex offender was sentenced.

420.4 Sec. 5. Minnesota Statutes 2014, section 246B.01, subdivision 2b, is amended to read:

420.5 Subd. 2b. **Cost of care.** "Cost of care" means the commissioner's charge for housing
420.6 ~~and~~, treatment, aftercare services, and supervision provided to any person admitted to or
420.7 on provisional discharge from the Minnesota sex offender program.

420.8 For purposes of this subdivision, "charge for housing ~~and~~, treatment, aftercare
420.9 services, and supervision" means the cost of services, treatment, maintenance, bonds issued
420.10 for capital improvements, depreciation of buildings and equipment, and indirect costs
420.11 related to the operation of state facilities. The commissioner may determine the charge for
420.12 services on an anticipated average per diem basis as an all-inclusive charge per facility.

420.13 Sec. 6. Minnesota Statutes 2014, section 246B.035, is amended to read:

420.14 **246B.035 ANNUAL PERFORMANCE REPORT REQUIRED.**

420.15 The executive director of the Minnesota sex offender program shall submit
420.16 electronically a performance report to the chairs and ranking minority members of the
420.17 legislative committees and divisions with jurisdiction over funding for the program by
420.18 ~~January~~ February 15 of each year beginning in ~~2010~~ 2017. The report must include the
420.19 following:

420.20 (1) a description of the program, including the strategic mission, goals, objectives,
420.21 and outcomes;

420.22 (2) the programwide per diem reported in a standard calculated method as outlined
420.23 in the program policies and procedures;

420.24 (3) program annual statistics as outlined in the departmental policies and procedures;
420.25 and

420.26 (4) the sex offender program evaluation report required under section 246B.03. The
420.27 executive director shall submit a printed copy upon request.

420.28 Sec. 7. Minnesota Statutes 2014, section 246B.10, is amended to read:

420.29 **246B.10 LIABILITY OF COUNTY; REIMBURSEMENT.**

420.30 (a) The civilly committed sex offender's county shall pay to the state a portion of the
420.31 cost of care provided ~~in~~ by the Minnesota sex offender program to a civilly committed sex
420.32 offender who has legally settled in that county. A county's payment must be made from
420.33 the county's own sources of revenue and payments must equal 25 percent of the cost of

421.1 care, as determined by the commissioner, for each day or portion of a day, that the civilly
 421.2 committed sex offender ~~spends at the facility~~ receives services, either within a Department
 421.3 of Human Services operated facility or while on provisional discharge.

421.4 (b) If payments received by the state under this chapter exceed 75 percent of the cost
 421.5 of care, the county is responsible for paying the state the remaining amount.

421.6 (c) The county is not entitled to reimbursement from the civilly committed sex
 421.7 offender, the civilly committed sex offender's estate, or from the civilly committed sex
 421.8 offender's relatives, except as provided in section 246B.07.

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

421.10 Sec. 8. **REPORT ON ANOKA-METRO REGIONAL TREATMENT CENTER**
 421.11 **(AMRTC), MINNESOTA SECURITY HOSPITAL (MSH), AND COMMUNITY**
 421.12 **BEHAVIORAL HEALTH HOSPITALS (CBHH).**

421.13 The commissioner of human services shall issue a public quarterly report to the
 421.14 chairs and minority leaders on the senate and house of representatives committees having
 421.15 jurisdiction over health and human services issues on the AMRTC, MSH, and the CBHH.
 421.16 The report shall contain information on the number of licensed beds, budgeted capacity,
 421.17 occupancy rate, number of OSHA recordable injuries and the number of OSHA recordable
 421.18 injuries due to patient aggression or restraint, number of clinical positions budgeted, the
 421.19 percentage of those positions that are filled, the number of direct care positions budgeted,
 421.20 and the percentage of those positions that are filled.

421.21 **ARTICLE 24**

421.22 **CONTINUING CARE**

421.23 Section 1. Minnesota Statutes 2014, section 245A.10, subdivision 4, is amended to read:

421.24 Subd. 4. **License or certification fee for certain programs.** (a) Child care centers
 421.25 shall pay an annual nonrefundable license fee based on the following schedule:

Licensed Capacity	Child Care Center License Fee
1 to 24 persons	\$200
25 to 49 persons	\$300
50 to 74 persons	\$400
75 to 99 persons	\$500
100 to 124 persons	\$600
125 to 149 persons	\$700
150 to 174 persons	\$800
175 to 199 persons	\$900

422.1	200 to 224 persons	\$1,000
422.2	225 or more persons	\$1,100

422.3 (b)(1) A program licensed to provide one or more of the home and community-based
 422.4 services and supports identified under chapter 245D to persons with disabilities or age
 422.5 65 and older, shall pay an annual nonrefundable license fee based on revenues derived
 422.6 from the provision of services that would require licensure under chapter 245D during the
 422.7 calendar year immediately preceding the year in which the license fee is paid, according to
 422.8 the following schedule:

422.9	License Holder Annual Revenue	License Fee
422.10	less than or equal to \$10,000	\$200
422.11	greater than \$10,000 but less than or	
422.12	equal to \$25,000	\$300
422.13	greater than \$25,000 but less than or	
422.14	equal to \$50,000	\$400
422.15	greater than \$50,000 but less than or	
422.16	equal to \$100,000	\$500
422.17	greater than \$100,000 but less than or	
422.18	equal to \$150,000	\$600
422.19	greater than \$150,000 but less than or	
422.20	equal to \$200,000	\$800
422.21	greater than \$200,000 but less than or	
422.22	equal to \$250,000	\$1,000
422.23	greater than \$250,000 but less than or	
422.24	equal to \$300,000	\$1,200
422.25	greater than \$300,000 but less than or	
422.26	equal to \$350,000	\$1,400
422.27	greater than \$350,000 but less than or	
422.28	equal to \$400,000	\$1,600
422.29	greater than \$400,000 but less than or	
422.30	equal to \$450,000	\$1,800
422.31	greater than \$450,000 but less than or	
422.32	equal to \$500,000	\$2,000
422.33	greater than \$500,000 but less than or	
422.34	equal to \$600,000	\$2,250
422.35	greater than \$600,000 but less than or	
422.36	equal to \$700,000	\$2,500
422.37	greater than \$700,000 but less than or	
422.38	equal to \$800,000	\$2,750
422.39	greater than \$800,000 but less than or	
422.40	equal to \$900,000	\$3,000
422.41	greater than \$900,000 but less than or	
422.42	equal to \$1,000,000	\$3,250
422.43	greater than \$1,000,000 but less than or	
422.44	equal to \$1,250,000	\$3,500
422.45	greater than \$1,250,000 but less than or	
422.46	equal to \$1,500,000	\$3,750

423.1	greater than \$1,500,000 but less than or	
423.2	equal to \$1,750,000	\$4,000
423.3	greater than \$1,750,000 but less than or	
423.4	equal to \$2,000,000	\$4,250
423.5	greater than \$2,000,000 but less than or	
423.6	equal to \$2,500,000	\$4,500
423.7	greater than \$2,500,000 but less than or	
423.8	equal to \$3,000,000	\$4,750
423.9	greater than \$3,000,000 but less than or	
423.10	equal to \$3,500,000	\$5,000
423.11	greater than \$3,500,000 but less than or	
423.12	equal to \$4,000,000	\$5,500
423.13	greater than \$4,000,000 but less than or	
423.14	equal to \$4,500,000	\$6,000
423.15	greater than \$4,500,000 but less than or	
423.16	equal to \$5,000,000	\$6,500
423.17	greater than \$5,000,000 but less than or	
423.18	equal to \$7,500,000	\$7,000
423.19	greater than \$7,500,000 but less than or	
423.20	equal to \$10,000,000	\$8,500
423.21	greater than \$10,000,000 but less than	
423.22	or equal to \$12,500,000	\$10,000
423.23	greater than \$12,500,000 but less than	
423.24	or equal to \$15,000,000	\$14,000
423.25	greater than \$15,000,000	\$18,000

423.26 (2) If requested, the license holder shall provide the commissioner information to
 423.27 verify the license holder's annual revenues or other information as needed, including
 423.28 copies of documents submitted to the Department of Revenue.

423.29 (3) At each annual renewal, a license holder may elect to pay the highest renewal
 423.30 fee, and not provide annual revenue information to the commissioner.

423.31 (4) A license holder that knowingly provides the commissioner incorrect revenue
 423.32 amounts for the purpose of paying a lower license fee shall be subject to a civil penalty in
 423.33 the amount of double the fee the provider should have paid.

423.34 (5) Notwithstanding clause (1), a license holder providing services under one or
 423.35 more licenses under chapter 245B that are in effect on May 15, 2013, shall pay an annual
 423.36 license fee for calendar years 2014, 2015, ~~and 2016,~~ and 2017, equal to the total license
 423.37 fees paid by the license holder for all licenses held under chapter 245B for calendar year
 423.38 2013. For calendar year ~~2017~~ 2018 and thereafter, the license holder shall pay an annual
 423.39 license fee according to ~~clause (1)~~ paragraph (m).

423.40 (c) A chemical dependency treatment program licensed under Minnesota Rules,
 423.41 parts 9530.6405 to 9530.6505, to provide chemical dependency treatment shall pay an
 423.42 annual nonrefundable license fee based on the following schedule:

424.1	Licensed Capacity	License Fee
424.2	1 to 24 persons	\$600
424.3	25 to 49 persons	\$800
424.4	50 to 74 persons	\$1,000
424.5	75 to 99 persons	\$1,200
424.6	100 or more persons	\$1,400

424.7 (d) A chemical dependency program licensed under Minnesota Rules, parts
 424.8 9530.6510 to 9530.6590, to provide detoxification services shall pay an annual
 424.9 nonrefundable license fee based on the following schedule:

424.10	Licensed Capacity	License Fee
424.11	1 to 24 persons	\$760
424.12	25 to 49 persons	\$960
424.13	50 or more persons	\$1,160

424.14 (e) Except for child foster care, a residential facility licensed under Minnesota Rules,
 424.15 chapter 2960, to serve children shall pay an annual nonrefundable license fee based on
 424.16 the following schedule:

424.17	Licensed Capacity	License Fee
424.18	1 to 24 persons	\$1,000
424.19	25 to 49 persons	\$1,100
424.20	50 to 74 persons	\$1,200
424.21	75 to 99 persons	\$1,300
424.22	100 or more persons	\$1,400

424.23 (f) A residential facility licensed under Minnesota Rules, parts 9520.0500 to
 424.24 9520.0670, to serve persons with mental illness shall pay an annual nonrefundable license
 424.25 fee based on the following schedule:

424.26	Licensed Capacity	License Fee
424.27	1 to 24 persons	\$2,525
424.28	25 or more persons	\$2,725

424.29 (g) A residential facility licensed under Minnesota Rules, parts 9570.2000 to
 424.30 9570.3400, to serve persons with physical disabilities shall pay an annual nonrefundable
 424.31 license fee based on the following schedule:

424.32	Licensed Capacity	License Fee
424.33	1 to 24 persons	\$450
424.34	25 to 49 persons	\$650
424.35	50 to 74 persons	\$850
424.36	75 to 99 persons	\$1,050
424.37	100 or more persons	\$1,250

425.1 (h) A program licensed to provide independent living assistance for youth under
425.2 section 245A.22 shall pay an annual nonrefundable license fee of \$1,500.

425.3 (i) A private agency licensed to provide foster care and adoption services under
425.4 Minnesota Rules, parts 9545.0755 to 9545.0845, shall pay an annual nonrefundable
425.5 license fee of \$875.

425.6 (j) A program licensed as an adult day care center licensed under Minnesota Rules,
425.7 parts 9555.9600 to 9555.9730, shall pay an annual nonrefundable license fee based on
425.8 the following schedule:

425.9	Licensed Capacity	License Fee
425.10	1 to 24 persons	\$500
425.11	25 to 49 persons	\$700
425.12	50 to 74 persons	\$900
425.13	75 to 99 persons	\$1,100
425.14	100 or more persons	\$1,300

425.15 (k) A program licensed to provide treatment services to persons with sexual
425.16 psychopathic personalities or sexually dangerous persons under Minnesota Rules, parts
425.17 9515.3000 to 9515.3110, shall pay an annual nonrefundable license fee of \$20,000.

425.18 (l) A mental health center or mental health clinic requesting certification for
425.19 purposes of insurance and subscriber contract reimbursement under Minnesota Rules,
425.20 parts 9520.0750 to 9520.0870, shall pay a certification fee of \$1,550 per year. If the
425.21 mental health center or mental health clinic provides services at a primary location with
425.22 satellite facilities, the satellite facilities shall be certified with the primary location without
425.23 an additional charge.

425.24 (m)(1) Effective for fees paid after July 1, 2017, a program licensed to provide one
425.25 or more of the home and community-based services and supports identified under chapter
425.26 245D to persons with disabilities or age 65 and older, shall pay an annual nonrefundable
425.27 license fee of 0.27 percent of revenues derived from the provision of services that
425.28 would require licensure under this chapter and that are specified under section 245D.03,
425.29 subdivision 1, during the calendar year immediately preceding the year in which the
425.30 license fee is paid. If the calculated fee is less than \$450, the fee shall be \$450.

425.31 (2) The commissioner shall calculate the licensing fee for providers of home and
425.32 community-based services and supports under this paragraph and invoice the license
425.33 holder annually. Upon challenge of the invoiced fee amount by the license holder, the
425.34 commissioner shall provide the license holder with a report identifying the medical
425.35 assistance claims paid by the commissioner to the license holder that formed the basis
425.36 for the licensing fee calculation.

426.1 Sec. 2. Minnesota Statutes 2014, section 245A.10, subdivision 8, is amended to read:

426.2 Subd. 8. **Deposit of license fees.** A human services licensing account is created in
426.3 the ~~state-government~~ special revenue fund. Fees collected under subdivisions 3 and 4 must
426.4 be deposited in the human services licensing account and are ~~annually~~ appropriated to the
426.5 commissioner for licensing activities authorized under this chapter.

426.6 **EFFECTIVE DATE.** This section is effective July 1, 2017.

426.7 Sec. 3. Minnesota Statutes 2015 Supplement, section 245D.03, subdivision 1, is
426.8 amended to read:

426.9 Subdivision 1. **Applicability.** (a) The commissioner shall regulate the provision of
426.10 home and community-based services to persons with disabilities and persons age 65 and
426.11 older pursuant to this chapter. The licensing standards in this chapter govern the provision
426.12 of basic support services and intensive support services.

426.13 (b) Basic support services provide the level of assistance, supervision, and care that
426.14 is necessary to ensure the health and welfare of the person and do not include services that
426.15 are specifically directed toward the training, treatment, habilitation, or rehabilitation of
426.16 the person. Basic support services include:

426.17 (1) in-home and out-of-home respite care services as defined in section 245A.02,
426.18 subdivision 15, and under the brain injury, community alternative care, community access
426.19 for disability inclusion, developmental disability, and elderly waiver plans, excluding
426.20 out-of-home respite care provided to children in a family child foster care home licensed
426.21 under Minnesota Rules, parts 2960.3000 to 2960.3100, when the child foster care license
426.22 holder complies with the requirements under section 245D.06, subdivisions 5, 6, 7, and
426.23 8, or successor provisions; and section 245D.061 or successor provisions, which must
426.24 be stipulated in the statement of intended use required under Minnesota Rules, part
426.25 2960.3000, subpart 4;

426.26 (2) adult companion services as defined under the brain injury, community access
426.27 for disability inclusion, and elderly waiver plans, excluding adult companion services
426.28 provided under the Corporation for National and Community ~~Services~~ Service, Senior
426.29 Companion Program ~~established under the Domestic Volunteer Service Act of 1973, Public~~
426.30 ~~Law 98-288~~ Code of Federal Regulations, title 45, subpart B, chapter 25, part 2551 et seq.;

426.31 (3) personal support as defined under the developmental disability waiver plan;

426.32 (4) 24-hour emergency assistance, personal emergency response as defined under
426.33 the community access for disability inclusion and developmental disability waiver plans;

426.34 (5) night supervision services as defined under the brain injury waiver plan; ~~and~~

427.1 (6) homemaker services as defined under the community access for disability
427.2 inclusion, brain injury, community alternative care, developmental disability, and elderly
427.3 waiver plans, excluding providers licensed by the Department of Health under chapter
427.4 144A and those providers providing cleaning services only; and

427.5 (7) individual community living support under section 256B.0915, subdivision 3j.

427.6 (c) Intensive support services provide assistance, supervision, and care that is
427.7 necessary to ensure the health and welfare of the person and services specifically directed
427.8 toward the training, habilitation, or rehabilitation of the person. Intensive support services
427.9 include:

427.10 (1) intervention services, including:

427.11 (i) behavioral support services as defined under the brain injury and community
427.12 access for disability inclusion waiver plans;

427.13 (ii) in-home or out-of-home crisis respite services as defined under the developmental
427.14 disability waiver plan; and

427.15 (iii) specialist services as defined under the current developmental disability waiver
427.16 plan;

427.17 (2) in-home support services, including:

427.18 (i) in-home family support and supported living services as defined under the
427.19 developmental disability waiver plan;

427.20 (ii) independent living services training as defined under the brain injury and
427.21 community access for disability inclusion waiver plans; and

427.22 (iii) semi-independent living services;

427.23 (3) residential supports and services, including:

427.24 (i) supported living services as defined under the developmental disability waiver
427.25 plan provided in a family or corporate child foster care residence, a family adult foster
427.26 care residence, a community residential setting, or a supervised living facility;

427.27 (ii) foster care services as defined in the brain injury, community alternative care,
427.28 and community access for disability inclusion waiver plans provided in a family or
427.29 corporate child foster care residence, a family adult foster care residence, or a community
427.30 residential setting; and

427.31 (iii) residential services provided to more than four persons with developmental
427.32 disabilities in a supervised living facility, including ICFs/DD;

427.33 (4) day services, including:

427.34 (i) structured day services as defined under the brain injury waiver plan;

427.35 (ii) day training and habilitation services under sections 252.41 to 252.46, and as
427.36 defined under the developmental disability waiver plan; and

428.1 (iii) prevocational services as defined under the brain injury and community access
428.2 for disability inclusion waiver plans; and

428.3 (5) supported employment as defined under the brain injury, developmental
428.4 disability, and community access for disability inclusion waiver plans.

428.5 **EFFECTIVE DATE.** Paragraph (b), clause (2), of this section is effective the day
428.6 following final enactment. Paragraph (b), clause (7), of this section is effective July 1, 2017.

428.7 Sec. 4. Minnesota Statutes 2014, section 256B.0949, is amended to read:

428.8 **256B.0949 AUTISM EARLY INTENSIVE DEVELOPMENTAL AND**
428.9 **BEHAVIORAL INTERVENTION BENEFIT.**

428.10 Subdivision 1. **Purpose.** This section creates ~~a new~~ the early intensive
428.11 developmental and behavioral intervention (EIDBI) benefit to provide early intensive
428.12 intervention to a child with an autism spectrum disorder diagnosis or related condition.
428.13 This benefit must provide coverage for ~~diagnosis~~ a comprehensive, multidisciplinary
428.14 assessment, ongoing progress evaluation, and medically necessary early intensive
428.15 treatment of autism spectrum disorder or related conditions.

428.16 Subd. 2. **Definitions.** (a) For the purposes of this section, the terms defined in
428.17 this subdivision have the meanings given.

428.18 (b) "Agency" means the legal entity that is enrolled with Minnesota health care
428.19 programs as a medical assistance provider according to Minnesota Rules, part 9505.0195,
428.20 to provide EIDBI and that has the legal responsibility to ensure that its employees or
428.21 contractors carry out the responsibilities defined in this section. The definition of "agency"
428.22 includes licensed individual professionals who practice independently and act as an agency.

428.23 (b) (c) "Autism spectrum disorder diagnosis" is defined by diagnostic code 299 or
428.24 "ASD" has the meaning given in the current version of the Diagnostic and Statistical
428.25 Manual of Mental Disorders (DSM).

428.26 (d) "ASD and related conditions" means a condition that is found to be closely
428.27 related to autism spectrum disorder and may include but is not limited to autism,
428.28 Asperger's syndrome, pervasive developmental disorder-not otherwise specified, fetal
428.29 alcohol spectrum disorder, Rhett's syndrome, and autism-related diagnosis as identified
428.30 under the current version of the DSM and meets all of the following criteria:

428.31 (1) is severe and chronic;

428.32 (2) results in impairment of adaptive behavior and function similar to that of persons
428.33 with ASD;

428.34 (3) requires treatment or services similar to those required for persons with ASD; and

429.1 (4) results in substantial functional limitations in three core developmental deficits
429.2 of ASD: social interaction; nonverbal or social communication; and restrictive, repetitive
429.3 behaviors or hyperreactivity or hyporeactivity to sensory input; and may include deficits
429.4 in one or more of the following related developmental domains:

429.5 (i) self-regulation;

429.6 (ii) self-care;

429.7 (iii) behavioral challenges;

429.8 (iv) expressive communication;

429.9 (v) receptive communication;

429.10 (vi) cognitive functioning;

429.11 (vii) safety; and

429.12 (viii) level of support needed.

429.13 ~~(e)~~ (e) "Child" means a person under the age of 18 21.

429.14 (f) "Clinical supervision" means the overall responsibility for the control and direction
429.15 of EIDBI service delivery, including individual treatment planning, staff supervision,
429.16 progress monitoring, and treatment review for each client. Clinical supervision is provided
429.17 by a qualified supervising professional who takes full professional responsibility for the
429.18 services provided by each of the supervisees. All EIDBI services must be billed by and
429.19 either provided by or under the clinical supervision of a qualified supervising professional.

429.20 ~~(d)~~ (g) "Commissioner" means the commissioner of human services, unless
429.21 otherwise specified.

429.22 (h) "Comprehensive multidisciplinary evaluation" or "CMDE" means a
429.23 comprehensive evaluation of a child's developmental status to determine medical necessity
429.24 for EIDBI based on the requirements in subdivision 5.

429.25 ~~(e)~~ (i) "Early intensive developmental and behavioral intervention benefit" or
429.26 "EIDBI" means ~~autism treatment options~~ intensive treatment interventions based in
429.27 behavioral and developmental science, ~~which may include modalities such as applied~~
429.28 behavior analysis, ~~developmental treatment approaches, and naturalistic and parent~~
429.29 training models that include the services covered under subdivision 13.

429.30 ~~(f)~~ (j) "Generalizable goals" means results or gains that are observed during a variety
429.31 of activities over time with different people, such as providers, family members, other
429.32 adults, and children, and in different environments including, but not limited to, clinics,
429.33 homes, schools, and the community.

429.34 (k) "Individual treatment plan" or "ITP" means the person-centered, individualized
429.35 written plan of care that integrates and coordinates child and family information from the
429.36 comprehensive multidisciplinary evaluation for a child who meets medical necessity for

430.1 the early intensive developmental and behavioral intervention benefit. An individual
430.2 treatment plan must meet the standards in subdivision 6.

430.3 (l) "Legal representative" means the parent of a person who is under 18 years of age,
430.4 a court-appointed guardian, or other representative with legal authority to make decisions
430.5 about services for a person. Other representatives with legal authority to make decisions
430.6 include but are not limited to a health care agent or an attorney-in-fact authorized through
430.7 a health care directive or power of attorney.

430.8 (m) "Level I treatment provider" means a person who meets the EIDBI provider
430.9 qualifications under subdivision 15, paragraph (a).

430.10 (n) "Level II treatment provider" means a person who meets the EIDBI provider
430.11 qualifications under subdivision 15, paragraph (b).

430.12 (o) "Level III treatment provider" means a person who meets the EIDBI provider
430.13 qualifications under subdivision 15, paragraph (c).

430.14 ~~(g)~~ (p) "Mental health professional" has the meaning given in section 245.4871,
430.15 subdivision 27, clauses (1) to (6).

430.16 (q) "Person-centered" means services that respond to the identified needs, interests,
430.17 values, preferences, and desired outcomes of the child and the child's legal representative.
430.18 Person-centered planning identifies what is important to the child and the child's legal
430.19 representative, respects each child's history, dignity, and cultural background, and allows
430.20 inclusion and participation in the child's community.

430.21 (r) "Qualified CMDE provider" means a person meeting the CMDE provider
430.22 qualification requirements under subdivision 5a.

430.23 (s) "Qualified EIDBI professional" means a person who is a QSP or a level I, level
430.24 II, or level III treatment provider.

430.25 (t) "Qualified supervising professional" or "QSP" means a person who meets the
430.26 EIDBI provider qualifications under subdivision 15, paragraph (d).

430.27 **Subd. 3. Initial EIDBI eligibility.** This benefit is available to a child enrolled in
430.28 medical assistance who:

430.29 ~~(1) has an autism spectrum disorder~~ a diagnosis of ASD or a related condition that
430.30 meets the criteria of subdivision 4; and

430.31 ~~(2) has had a diagnostic assessment described in subdivision 5, which recommends~~
430.32 ~~early intensive intervention services; and~~

430.33 ~~(3)~~ meets the criteria for medically necessary autism early intensive intervention
430.34 services.

430.35 **Subd. 3a. Culturally and linguistically appropriate requirement.** The child's and
430.36 family's primary spoken language, culture, preferences, goals, and values must be reflected

431.1 throughout the process of diagnosis, CMDE, ITP development, ITP progress evaluation
 431.2 monitoring, family or caregiver training and counseling services, and coordination of care.
 431.3 The qualified CMDE provider and QSP must determine how to adapt the evaluation,
 431.4 treatment recommendations, and ITP to the culture, language, and values of the child and
 431.5 family. A language interpreter must be provided consistent with section 256B.0625,
 431.6 subdivision 18a. Providers must have a limited English proficiency (LEP) plan in
 431.7 compliance with title VI of the Civil Rights Act of 1964, United States Code, title 42,
 431.8 section 2000d et seq. Communication and language assistance must comply with national
 431.9 standards for culturally and linguistically appropriate services (CLAS), as published by
 431.10 the United States Department of Health and Human Services.

431.11 Subd. 4. **Diagnosis.** (a) A diagnosis of ASD or a related condition must:

431.12 (1) be based upon current DSM criteria including direct observations of the child and
 431.13 ~~reports~~ information from parents the child's legal representative or primary caregivers; ~~and~~

431.14 (2) be completed by either (i) a licensed physician or advanced practice registered
 431.15 nurse or (ii) a mental health professional; and

431.16 (3) meet the requirements of Minnesota Rules, part 9505.0372, subpart 1, items
 431.17 B and C.

431.18 (b) Additional ~~diagnostic~~ assessment information may be considered to complete
 431.19 a diagnostic assessment including from specialized tests administered through special
 431.20 education evaluations and licensed school personnel, and from professionals licensed
 431.21 in the fields of medicine, speech and language, psychology, occupational therapy, and
 431.22 physical therapy. A diagnostic assessment may include treatment recommendations.

431.23 Subd. 5. ~~Diagnostic assessment~~ **Comprehensive multidisciplinary evaluation**

431.24 **(CMDE).** (a) The following information and assessments must be performed, reviewed,
 431.25 and relied upon for the eligibility determination, treatment and services recommendations,
 431.26 and treatment plan development for the child:

431.27 (1) ~~an~~ assessment of the child's developmental skills, functional behavior, needs,
 431.28 and capacities based on direct observation of the child, which must be administered by
 431.29 a licensed mental health professional, must include medical or assessment information
 431.30 from the child's physician or advanced practice registered nurse, and may also include
 431.31 observations from family members, school personnel, child care providers, or other
 431.32 caregivers, as well as any medical or assessment information from other licensed
 431.33 professionals such as rehabilitation therapists, licensed school personnel, or mental health
 431.34 professionals; ~~and~~

431.35 (2) ~~an assessment of parental or caregiver capacity to participate in therapy including~~
 431.36 ~~the type and level of parental or caregiver involvement and training recommended.~~

432.1 A CMDE must be completed to determine the medical necessity of EIDBI services.

432.2 (b) The CMDE must include and document the child's legal representative's or
432.3 caregiver's preferences for involvement in the child's treatment that is culturally and
432.4 linguistically appropriate as required under subdivision 3a.

432.5 Subd. 5a. **CMDE provider qualification requirements.** A qualified CMDE
432.6 provider must:

432.7 (1) be a licensed physician or advanced practice registered nurse or a mental health
432.8 professional or a mental health practitioner who meets the requirements of a clinical
432.9 trainee as defined in Minnesota Rules, part 9505.0371, subpart 5, item C;

432.10 (2) have at least 2,000 hours of clinical experience in the evaluation and treatment
432.11 of children with ASD or equivalent documented coursework at the graduate level by an
432.12 accredited university in the following content areas: ASD diagnosis, ASD treatment
432.13 strategies, and child development;

432.14 (3) be able to diagnose, evaluate, or provide treatment within the provider's scope
432.15 of practice and professional license; and

432.16 (4) have knowledge and provide information about the range of current EIDBI
432.17 treatment modalities recognized by the commissioner.

432.18 Subd. 6. **Individual treatment plan (ITP).** (a) The qualified EIDBI professional
432.19 who integrates and coordinates child and family information from the CMDE and ITP
432.20 progress evaluation monitoring process to develop the ITP must develop and monitor
432.21 the ITP.

432.22 (b) The ITP must be individualized, person-centered, and culturally and linguistically
432.23 appropriate, as required under subdivision 3a. The ITP must specify the medically
432.24 necessary treatment and services, including baseline data, primary goals and target
432.25 objectives, ITP progress evaluation results and goal mastery data, and any significant
432.26 changes in the child's condition or family circumstances. Each child's treatment plan
432.27 ITP must be:

432.28 (1) based on the diagnostic assessment and CMDE summary information specified
432.29 in subdivisions 4 and 5;

432.30 (2) coordinated with medically necessary occupational, physical, and speech and
432.31 language therapies, special education, and other services the child and family are receiving;

432.32 (3) family-centered;

432.33 (4) culturally sensitive; and

432.34 (5) individualized based on the child's developmental status and the child's and
432.35 family's identified needs.

433.1 ~~(b)~~ (c) The ~~treatment plan~~ ITP must specify the primary treatment goals and target
433.2 objectives, including baseline measures and projected dates of accomplishment. The
433.3 ITP must include:

433.4 ~~(1) child's goals which are developmentally appropriate, functional, and~~
433.5 ~~generalizable;~~

433.6 ~~(2) treatment modality;~~

433.7 ~~(3) treatment intensity;~~

433.8 ~~(4) setting; and~~

433.9 ~~(5) level and type of parental or caregiver involvement.~~

433.10 (1) the treatment method that shall be used to meet the goals and objectives, including:

433.11 (i) the frequency, intensity, location, and duration of each service provided;

433.12 (ii) the level of parent or caregiver training and counseling;

433.13 (iii) any changes or modifications to the physical and social environments necessary
433.14 when the services are provided;

433.15 (iv) any specialized equipment and materials required;

433.16 (v) techniques that support and are consistent with the child's communication mode
433.17 and learning style; and

433.18 (vi) the name of the QSP; and

433.19 (2) the discharge criteria that shall be used and a defined transition plan to assist

433.20 the child and the child's legal representative to transition to other services. The transition
433.21 plan shall include:

433.22 (i) protocols for changing service when medically necessary;

433.23 (ii) how the transition will occur;

433.24 (iii) the time allowed to make the transition. Up to 30 days of continued service

433.25 is allowed while the transition plan is being developed. Services during this plan

433.26 development period shall be consistent with the ITP. The plan development period begins

433.27 when the child or the child's legal representative receives notice of termination of EIDBI

433.28 and ends when EIDBI is terminated; and

433.29 (iv) a description of how the parent or guardian will be informed of and involved in
433.30 the transition.

433.31 ~~(e)~~ (d) Implementation of the treatment ITP must be supervised by a QSP

433.32 ~~professional with expertise and training in autism and child development who is a licensed~~
433.33 ~~physician, advanced practice registered nurse, or mental health professional.~~

433.34 ~~(d)~~ (e) The ~~treatment plan~~ ITP must be submitted to the commissioner for approval
433.35 in a manner determined by the commissioner for this purpose.

433.36 ~~(e) Services authorized must be consistent with the child's approved treatment plan.~~

434.1 (f) Services included in the ~~treatment plan~~ ITP must meet all applicable requirements
434.2 for medical necessity and coverage.

434.3 Subd. 6a. **Coordination with other benefits.** (a) Services provided under this
434.4 section are not intended to replace services provided in school or other settings. Each
434.5 child's CMDE must document that EIDBI services coordinate with, but do not include
434.6 or replace, special education and related services defined in the child's individualized
434.7 education plan (IEP), or individualized family service plan (IFSP), when the service is
434.8 available under the Individuals with Disabilities Education Improvement Act of 2004
434.9 (IDEA), United States Code, title 20, chapter 33, through a local education agency. This
434.10 provision does not preclude EIDBI treatment during school hours.

434.11 (b) The commissioner shall integrate medical authorization procedures for this
434.12 benefit with authorization procedures for other health and mental health services and home
434.13 and community-based services to ensure that the child receives services that are the most
434.14 appropriate and effective in meeting the child's needs. Programs for birth to three years of
434.15 age and additional resources shall also coordinate with EIDBI services. Resources for
434.16 individuals over 18 years of age must also be coordinated with the services in this section.

434.17 Subd. 7. **Ongoing eligibility ITP progress evaluation monitoring.** (a) An
434.18 independent ITP progress evaluation conducted by a licensed mental health professional
434.19 with expertise and training in autism spectrum disorder and child development must
434.20 be completed after each six months of treatment, or more frequently as determined by
434.21 the commissioner-qualified CMDE provider, to determine if progress is being made
434.22 toward achieving targeted functional and generalizable goals and meeting functional
434.23 goals contained specified in the treatment plan ITP. Based on the results of ITP progress
434.24 evaluation, the ITP must be adjusted as needed and must document that the child continues
434.25 to meet medical necessity for EIDBI or is referred to other services.

434.26 (b) The ITP progress evaluation must include:

434.27 (1) ~~the treating provider's report;~~

434.28 (2) ~~parental or caregiver input~~ from the child's caregiver or the child's legal
434.29 representative;

434.30 (3) ~~(2) an independent observation of the child which can be that is performed by~~
434.31 ~~the child's~~ a QSP or a level I or level II treatment provider and may include observation
434.32 information from licensed special education staff or other licensed health care providers;

434.33 (3) documentation of current level of performance on primary treatment goal
434.34 domains including when goals and objectives are achieved, changed, or discontinued;

434.35 (4) any significant changes in the child's condition or family circumstances;

435.1 ~~(4)~~ (5) any treatment plan modifications and the rationale for any changes made
435.2 including treatment modality, intensity, frequency, and duration; and

435.3 ~~(5)~~ (6) recommendations for continued treatment services.

435.4 (c) ITP progress evaluations evaluation must be submitted to the commissioner and
435.5 the child or legal representative in a manner determined by the commissioner for ~~this~~
435.6 purpose the reauthorization of EIDBI services.

435.7 (d) A child who continues to ~~achieve generalizable goals and~~ make reasonable
435.8 progress toward treatment goals as specified in the ~~treatment plan~~ ITP is eligible to
435.9 continue receiving ~~this benefit~~ EIDBI services.

435.10 (e) A child's treatment shall continue during the ITP progress evaluation using
435.11 the process determined under ~~subdivision 8, clause (8)~~ this subdivision. Treatment may
435.12 continue during an appeal pursuant to section 256.045.

435.13 Subd. 8. **Refining the benefit with stakeholders.** The commissioner must ~~develop~~
435.14 ~~the implementation~~ refine the details of the benefit in consultation with stakeholders and
435.15 consider recommendations from ~~the Health Services Advisory Council,~~ the Department
435.16 of Human Services Autism Spectrum Disorder Early Intensive Developmental and
435.17 Behavioral Intervention Benefit Advisory Council, ~~the Legislative Autism Spectrum~~
435.18 ~~Disorder Task Force,~~ the EIDBI learning collaborative, and the ASD Interagency Task
435.19 Force of the Departments of Health, Education, Employment and Economic Development,
435.20 and Human Services. ~~The commissioner must release these details for a 30-day public~~
435.21 ~~comment period prior to submission to the federal government for approval.~~ The
435.22 ~~implementation~~ details must include, but are not limited to, the following components:

435.23 (1) a definition of the qualifications, standards, and roles of the treatment team,
435.24 including recommendations after stakeholder consultation on whether board-certified
435.25 behavior analysts and other ~~types of~~ professionals certified in other treatment approaches
435.26 recognized by the Department of Human Services or trained in autism spectrum disorder
435.27 and child development should be added as ~~mental health or other~~ professionals for qualified
435.28 to provide EIDBI treatment supervision or other functions under medical assistance;

435.29 (2) ~~development of initial,~~ refinement of uniform parameters for comprehensive
435.30 multidisciplinary ~~diagnostic assessment information~~ evaluation and ~~progress evaluation~~
435.31 ongoing ITP progress evaluation monitoring standards;

435.32 (3) the design of an effective and consistent process for assessing ~~parent~~ the child's
435.33 legal representative's and ~~caregiver capacity~~ caregiver's preferences and options to
435.34 participate in the child's early intervention treatment and efficacy of methods of involving
435.35 ~~the parents~~ to involve and educate the child's legal representative and caregivers in the
435.36 treatment of the child;

436.1 (4) formulation of a collaborative process in which professionals have
436.2 opportunities to collectively inform provider standards and qualifications; standards for a
436.3 comprehensive, multidisciplinary diagnostic assessment evaluation; medical necessity
436.4 determination; efficacy of treatment apparatus, including modality, intensity, frequency,
436.5 and duration; and ~~progress evaluation~~ progress-monitoring processes and standards to
436.6 support quality improvement of ~~early intensive intervention~~ EIDBI services;

436.7 (5) coordination of this benefit and its interaction with other services provided by
436.8 the Departments of Human Services, Health, Employment and Economic Development,
436.9 and Education;

436.10 (6) evaluation, on an ongoing basis, of ~~research regarding the program~~ EIDBI
436.11 outcomes and efficacy of treatment modalities methods provided to children under this
436.12 benefit; and

436.13 (7) as provided under subdivision 18, determination of the availability of licensed
436.14 physicians, nurse practitioners, and mental health professionals qualified EIDBI
436.15 professionals with necessary expertise and training in autism spectrum disorder and
436.16 related conditions throughout the state to assess whether there are sufficient professionals
436.17 ~~to require involvement of both a physician or nurse practitioner and a mental health~~
436.18 ~~professional to provide timely access and prevent delay in the diagnosis and CMDE and~~
436.19 ~~treatment of young children, so as to implement subdivision 4, and to ensure treatment is~~
436.20 ~~effective, timely, and accessible; and ASD and related conditions.~~

436.21 (8) ~~development of the process for the progress evaluation that will be used to~~
436.22 ~~determine the ongoing eligibility, including necessary documentation, timelines, and~~
436.23 ~~responsibilities of all parties.~~

436.24 Subd. 9. **Revision of treatment options.** (a) The commissioner may revise covered
436.25 treatment options as needed based on outcome data and other evidence. EIDBI treatment
436.26 methods approved by the Department of Human Services must:

436.27 (1) cause no harm to the individual child or family;

436.28 (2) be provided in an individualized manner to meet the varied needs of each child
436.29 and family;

436.30 (3) be developmentally appropriate and highly structured, with well-defined goals
436.31 and objectives that provide a strategic direction for treatment;

436.32 (4) be regularly evaluated and adjusted as needed;

436.33 (5) be based in recognized principles of developmental and behavioral science;

436.34 (6) utilize sound practices that are replicable across providers and maintain the
436.35 fidelity of the specific approach;

436.36 (7) demonstrate an evidentiary basis;

437.1 (8) have goals and objectives that are measurable, achievable, and regularly
437.2 evaluated to ensure that adequate progress is being made;

437.3 (9) be provided intensively with a high adult-to-child ratio; and

437.4 (10) include active child and legal representative participation in decision-making,
437.5 knowledge- and capacity-building, and developing and implementing the child's ITP.

437.6 (b) Before ~~the changes~~ revisions in Department of Human Services recognized
437.7 treatment modalities become effective, the commissioner must provide public notice of
437.8 the changes, the reasons for the change, and a 30-day public comment period to those
437.9 who request notice through an electronic list accessible to the public on the department's
437.10 Web site.

437.11 Subd. 10. **Coordination between agencies.** The commissioners of human services
437.12 and education must develop the capacity to coordinate services and information including
437.13 diagnostic, functional, developmental, medical, and educational assessments; service
437.14 delivery; and progress evaluations across health and education sectors.

437.15 Subd. 11. **Federal approval of the autism benefit.** (a) This section shall apply
437.16 to state plan services under title XIX of the Social Security Act when federal approval
437.17 is granted under a 1915(i) waiver or other authority which allows children eligible for
437.18 medical assistance through the TEFRA option under section 256B.055, subdivision 12, to
437.19 qualify and includes children eligible for medical assistance in families over 150 percent
437.20 of the federal poverty guidelines.

437.21 (b) The commissioner may use the federal authority for a Medicaid state plan
437.22 amendment under Early and Periodic Screening Diagnosis and Treatment (EPSDT),
437.23 United States Code, title 42, section 1396D(R)(5), or other Medicaid provision for any
437.24 aspect or type of treatment covered in this section if new federal guidance is helpful
437.25 in achieving one or more of the purposes of this section in a cost-effective manner.
437.26 Notwithstanding subdivisions 2 and 3, any treatment services submitted for federal
437.27 approval under EPSDT shall include appropriate medical criteria to qualify for the service
437.28 and shall cover children through age 20.

437.29 Subd. 12. **Autism benefit; training provided.** After approval of the autism early
437.30 intensive intervention benefit under this section by the Centers for Medicare and Medicaid
437.31 Services, the commissioner shall provide statewide training on the benefit for culturally
437.32 and linguistically diverse communities. Training for autism service providers on culturally
437.33 appropriate practices must be online, accessible, and available in multiple languages. The
437.34 training for families, lead agencies, advocates, and other interested parties must provide
437.35 information about the benefit and how to access it.

438.1 Subd. 13. Covered services. (a) The services described in paragraphs (b) to (i) are
438.2 eligible for reimbursement by medical assistance under this section.

438.3 (b) EIDBI interventions are a variety of individualized, intensive treatment methods
438.4 approved by the department that are based in behavioral and developmental science
438.5 consistent with best practices on effectiveness. Services must address the participant's
438.6 medically necessary treatment goals and be provided by a qualified supervising
438.7 professional or a level I, level II, or level III treatment provider. Services are targeted to
438.8 develop, enhance, or maintain the individual developmental skills of a child with ASD and
438.9 related conditions to improve functional communication, social or interpersonal interaction,
438.10 behavioral challenges and self-regulation, cognition, learning and play, self-care, safety,
438.11 and level of support needed. EIDBI interventions include, but are not limited to:

438.12 (1) applied behavioral analysis (ABA);

438.13 (2) developmental individual-difference relationship-based model (DIR/Floortime);

438.14 (3) early start Denver model (ESDM);

438.15 (4) PLAY project; or

438.16 (5) relationship development intervention (RDI).

438.17 A provider may use one or more of the treatment interventions in clauses (1) to (5) as the
438.18 primary modality for treatment as a covered service, or several treatment interventions
438.19 in combination as the primary modality of treatment, as approved by the commissioner.

438.20 Additional treatment interventions may be used upon approval by the commissioner.

438.21 A provider that identifies and provides assurance of qualifications for a single specific
438.22 treatment modality must document the required qualifications to meet fidelity to the
438.23 specific model.

438.24 (c) EIDBI intervention observation and direction is the clinical direction and oversight
438.25 by a QSP or a level I or level II treatment provider regarding provision of EIDBI services
438.26 to a child, including developmental and behavioral techniques, progress measurement, data
438.27 collection, function of behaviors, and generalization of acquired skills for the direct benefit
438.28 of a child. EIDBI intervention observation and direction informs any modifications of the
438.29 methods to support the accomplishment of outcomes in the ITP. Observation and direction
438.30 provides a real-time response to EIDBI interventions to maximize the benefit to the child.

438.31 (d) CMDE is a comprehensive evaluation of the child's developmental status to
438.32 determine medical necessity for EIDBI services and meets the requirements of subdivision
438.33 5. The services must be provided by a qualified CMDE provider.

438.34 (e) ITP development and monitoring is development of the initial, annual, and
438.35 progress monitoring of ITPs. This service documents, provides oversight and on-going
438.36 evaluation of child treatment and progress on targeted goals and objectives, and integrates

439.1 and coordinates child and family information from the CMDE and progress monitoring
439.2 evaluations. The ITP must meet the requirements of subdivision 6. ITP progress evaluation
439.3 monitoring must meet the requirements of subdivision 7. This service must be reviewed
439.4 and completed by a QSP, and may include input from a level I or level II treatment provider.

439.5 (f) Family caregiver training and counseling is specialized training and education a
439.6 family or primary caregiver receives to understand the child's developmental status and
439.7 help with the child's needs and development. This service must be provided by a QSP
439.8 or a level I or level II treatment provider.

439.9 (g) A coordinated care conference is a voluntary face-to-face meeting with the
439.10 child and family to review the CMDE or progress monitoring results and to coordinate
439.11 and integrate services across providers and service-delivery systems to develop the ITP.
439.12 This service must be provided by a QSP and may include the CMDE provider or the level
439.13 I or level II treatment provider.

439.14 (h) Travel time is allowable billing for traveling to and from the recipient's home,
439.15 school, a community setting, or place of service outside of an EIDBI center, clinic, or
439.16 office from a specified location to provide face-to-face EIDBI intervention, observation
439.17 and direction, or family caregiver training and counseling. EIDBI recipients must have an
439.18 ITP specifying the reasons the provider must travel to the recipient's home, a community
439.19 setting, or place of service outside of an EIDBI center, clinic, or office.

439.20 (i) Medical assistance covers medically necessary EIDBI services and consultations
439.21 delivered by a licensed health care provider via telemedicine in the same manner as if the
439.22 service or consultation was delivered in person. Coverage is limited to three telemedicine
439.23 services per enrollee per calendar week.

439.24 Subd. 14. **Service recipient rights.** A child or the child's legal representative
439.25 has the right to:

439.26 (1) protection as defined under the health care bill of rights under section 144.651;

439.27 (2) designate an advocate of the child's or the child's legal representative's choice to
439.28 be present in all aspects of the child's and family's services at the request of the child or
439.29 the child's legal representative;

439.30 (3) be informed of the agency policy on assigning staff to a child;

439.31 (4) receive the opportunity to observe the child while receiving services;

439.32 (5) receive services in a manner that respects and takes into consideration the child's
439.33 and the legal representative's culture, values, religion, and preferences in accordance
439.34 with subdivision 3a;

439.35 (6) be free from mechanical restraint or seclusion using locked doors except in
439.36 emergencies as defined in section 245D.02, subdivision 8a;

- 440.1 (7) be under the supervision of a responsible adult at all times;
440.2 (8) receive notification from the agency within 24 hours if the child is injured while
440.3 receiving services, including what occurred and how agency staff responded to the injury;
440.4 (9) request a voluntary coordinated care conference; and
440.5 (10) request an independent CMDE provider of the child's or legal representative's
440.6 choice.

440.7 Subd. 15. **EIDBI provider qualifications.** (a) A level I treatment provider must be
440.8 employed by an EIDBI agency and:

440.9 (1) have at least 2,000 hours of supervised clinical experience or training in
440.10 examining or treating children with ASD or equivalent documented coursework at the
440.11 graduate level by an accredited university in ASD diagnostics, ASD developmental
440.12 and behavioral treatment strategies, and typical child development or an equivalent
440.13 combination of documented coursework or hours of experience; and

440.14 (2) have or be at least one of the following:

440.15 (i) a master's degree in behavioral health or child development or allied fields,
440.16 including but not limited to mental health, special education, social work, psychology,
440.17 speech pathology, or occupational therapy from an accredited college or university;

440.18 (ii) a bachelor's degree in a behavioral health or child development field from
440.19 an accredited college or university and advanced certification in a treatment method
440.20 recognized by the Department of Human Services; or

440.21 (iii) a board-certified assistant behavior analyst with 4,000 hours of supervised
440.22 clinical experience including meeting all registration, supervision, and continuing
440.23 education requirements of the certification.

440.24 (b) A level II treatment provider must be employed by an EIDBI provider agency
440.25 and be either:

440.26 (1) a person who has a bachelor's degree from an accredited college or university
440.27 in a behavioral or child development science or allied field including but not limited
440.28 to mental health, special education, social work, psychology, speech pathology, or
440.29 occupational therapy; and

440.30 (i) has at least 1,000 hours of clinical experience or training in examining or
440.31 treating children with ASD or equivalent documented coursework at the graduate level
440.32 by an accredited university in ASD diagnostics, ASD developmental and behavioral
440.33 treatment strategies, and typical child development or a combination of coursework or
440.34 hours of experience;

440.35 (ii) certification as a board-certified assistant behavior analyst from the Behavior
440.36 Analyst Certification Board; or

- 441.1 (iii) is a registered behavior technician as defined by the Behavior Analyst
441.2 Certification Board or is certified in one of the other treatment modalities recognized by
441.3 the Department of Human Services;
- 441.4 (2) a person who:
- 441.5 (i) has an associate's degree in a behavioral or child development science or allied
441.6 field including but not limited to mental health, special education, social work, psychology,
441.7 speech pathology, or occupational therapy from an accredited college or university; and
- 441.8 (ii) has at least 2,000 hours of supervised clinical experience in delivering treatment
441.9 to children with ASD. Hours worked as a behavioral aide or level III treatment provider
441.10 may be included in the required hours of experience;
- 441.11 (3) a person who has at least 4,000 hours of supervised clinical experience in
441.12 delivering treatment to children with ASD. Hours worked as a mental health behavioral
441.13 aide or developmental or level III treatment provider may be included in the required
441.14 hours of experience;
- 441.15 (4) a person who is a graduate student in a behavioral science, child development
441.16 science, or allied field and is receiving clinical supervision by a qualified supervising
441.17 professional affiliated with an agency to meet the clinical training requirements for
441.18 experience and training with children with ASD; or
- 441.19 (5) a person who is at least 18 years old and who:
- 441.20 (i) is fluent in the non-English language spoken in the child's home or works with a
441.21 tribal entity that represents the child's culture;
- 441.22 (ii) meets level III EIDBI training requirements; and
- 441.23 (iii) receives observation and direction from a QSP or qualified level I treatment
441.24 provider at least once a week until 1,000 hours of supervised clinical experience are met.
- 441.25 (c) A level III treatment provider must be employed by an EIDBI provider agency,
441.26 have completed the level III training requirement, be at least 18 years old, and have at
441.27 least one of the following:
- 441.28 (1) a high school diploma or general equivalency diploma (GED);
- 441.29 (2) fluency in the non-English language spoken in the child's home or works with a
441.30 tribal entity that represents the child's culture; or
- 441.31 (3) one year of experience as a primary PCA, community health worker, waiver
441.32 service provider, or special education assistant to a child with ASD within the previous
441.33 five years.
- 441.34 (d) A qualified supervising professional must be employed by an EIDBI agency
441.35 and be:

442.1 (1) a licensed mental health professional who has at least 2,000 hours of supervised
442.2 clinical experience or training in examining or treating children with ASD or equivalent
442.3 documented coursework at the graduate level by an accredited university in ASD
442.4 diagnostics, ASD developmental and behavioral treatment strategies, and typical child
442.5 development; or

442.6 (2) a developmental or behavioral pediatrician who has at least 2,000 hours of
442.7 supervised clinical experience or training in the examining or treating of children with
442.8 ASD or related conditions or equivalent documented coursework at the graduate level
442.9 by an accredited university in the areas of ASD diagnostics, ASD developmental and
442.10 behavioral treatment strategies, and typical child development.

442.11 Subd. 16. **Agency responsibilities.** (a) The agency must:

442.12 (1) exercise and protect the service recipient's rights;

442.13 (2) offer services that are person-centered and culturally and linguistically
442.14 appropriate as required under subdivision 3a;

442.15 (3) allow people to make informed decisions concerning CMDE, treatment
442.16 recommendations, alternatives considered, and possible risks of services;

442.17 (4) have a written policy that identifies steps to resolve issues collaboratively when
442.18 possible;

442.19 (5) except for emergency situations, provide adequate notice of transition, subject
442.20 to staff availability, of transition from EIDBI services prior to implementing a transition
442.21 plan with the family;

442.22 (6) provide notice as soon as possible when issues arise about provision of EIDBI
442.23 services;

442.24 (7) provide the legal representative with prompt notification if the child is injured
442.25 while being served by the agency. An incident report must be completed by the agency
442.26 staff member in charge of the child. Copies of all incident and injury reports must remain
442.27 on file at the agency for at least one year. An incident is when any of the following occur:

442.28 (i) an illness, accident, or injury which requires first aid treatment;

442.29 (ii) a bump or blow to the head; or

442.30 (iii) an unusual or unexpected event that jeopardizes the safety of children or staff,
442.31 including a child leaving the agency unattended; and

442.32 (8) prior to starting services, provide the child or the child's legal representative a
442.33 plain-spoken description of the treatment method or methods that the child shall receive,
442.34 including the staffing certification levels and training of the staff who shall provide the
442.35 treatment or treatments.

443.1 (b) When delivering the ITP, and annually thereafter, agencies must provide the
443.2 child or the child's legal representative with:

443.3 (1) a written copy of the child's rights and agency responsibilities;

443.4 (2) a verbal explanation of rights and responsibilities;

443.5 (3) reasonable accommodations to provide the information in other formats or
443.6 languages as needed to facilitate understanding of the rights and responsibilities; and

443.7 (4) documentation in the child's file of the date that the child or the child's
443.8 legal representative received a copy and explanation of the client's rights and agency
443.9 responsibilities.

443.10 Subd. 17. **EIDBI agency qualifications, general requirements, and duties.** (a)
443.11 EIDBI agencies delivering services under this section shall:

443.12 (1) enroll as a medical assistance Minnesota health care program provider according
443.13 to Minnesota Rules, part 9505.0195, and meet all applicable provider standards and
443.14 requirements;

443.15 (2) demonstrate compliance with federal and state laws for EIDBI;

443.16 (3) verify and maintain records of all services provided to the child or the child's
443.17 legal representative as required under Minnesota Rules, parts 9505.2175 and 9505.2197;

443.18 (4) not have had a lead agency contract or provider agreement discontinued due to
443.19 a conviction of fraud, or not have had an owner, board member, or manager fail a state
443.20 or FBI-based criminal background check or appear on the list of excluded individuals or
443.21 entities maintained by the federal Department of Human Services Office of Inspector
443.22 General while enrolled or seeking enrollment as a Minnesota health care program provider;

443.23 (5) have established business practices that include written policies and procedures,
443.24 internal controls, and a system that demonstrates the organization's ability to deliver
443.25 quality EIDBI services;

443.26 (6) have an office located in Minnesota; and

443.27 (7) conduct a criminal background check on an individual who has direct contact
443.28 with the child or the child's legal representative.

443.29 (b) an EIDBI agency shall:

443.30 (1) report maltreatment as required under sections 626.556 and 626.557;

443.31 (2) provide the child or the child's legal representative with a copy of the
443.32 service-related rights under subdivision 14 at the start of services;

443.33 (3) comply with any data requests from the department consistent with the Minnesota
443.34 Government Data Practices Act, sections 256B.064 and 256B.27; and

443.35 (4) provide training for all agency staff on the Maltreatment of Minors Act and the
443.36 Vulnerable Adult Protection Act requirements and responsibilities, including mandated

444.1 and voluntary reporting, nonretaliation, and the agency's policy for all staff on how to
444.2 report suspected abuse and neglect.

444.3 Subd. 18. **Provider shortage; authority for exceptions.** (a) In consultation with the
444.4 Early Intensive Developmental and Behavioral Intervention Advisory Council, including
444.5 agencies, professionals, parents of children with ASD, and advocacy organizations, the
444.6 commissioner shall determine if a shortage of qualified EIDBI providers exists. For the
444.7 purposes of this subdivision, "shortage of qualified EIDBI providers" means a lack of
444.8 availability of providers who meet the EIDBI provider qualification requirements under
444.9 subdivision 15 that results in the delay of access to timely services under this section, or
444.10 that significantly impairs the ability of a provider agency to have sufficient qualified
444.11 providers to meet the requirements of this section. The commissioner shall consider
444.12 geographic factors when determining the prevalence of a shortage. The commissioner
444.13 may determine that a shortage exists only in a specific region of the state, multiple regions
444.14 of the state, or statewide. The commissioner shall also consider the availability of various
444.15 types of treatment methods covered under this section.

444.16 (b) If the commissioner determines that a shortage of qualified providers exists
444.17 under paragraph (a), the commissioner, in consultation with the EIDBI Advisory Council
444.18 and stakeholders, must establish processes and criteria for granting an exception. The
444.19 commissioner may grant an exception to any of the following requirements, but only if an
444.20 exception would not compromise child safety nor diminish the quality and effectiveness
444.21 of the treatment provided:

444.22 (1) EIDBI provider qualifications under this section;

444.23 (2) medical assistance provider enrollment requirements under Minnesota Rules,
444.24 part 9505.0195; or

444.25 (3) applicable provider or agency standards or requirements.

444.26 (c) If the commissioner, in consultation with the EIDBI Advisory Council and
444.27 stakeholders, determines that a shortage no longer exists, the commissioner must submit a
444.28 notice that a shortage no longer exists to the chairs and ranking minority members of the
444.29 senate and the house of representatives committees with jurisdiction over health and human
444.30 services. The commissioner must post the notice for public comment for 30 days. The
444.31 commissioner shall consider all public comments before the commissioner makes a final
444.32 determination regarding the termination and timeline for termination of the commissioner's
444.33 authority to grant exceptions under this subdivision. Until the shortage ends, the
444.34 commissioner shall provide an update annually to the chairs and ranking minority members
444.35 of the committees in the house of representatives and the senate with jurisdiction over
444.36 health and human services on the status of the provider shortage and exception process.

445.1 **EFFECTIVE DATE.** Subdivisions 1, 5a, 13, and 18 are effective the day following
445.2 final enactment. Subdivisions 2 to 3a, 5, 6 to 9, and 14 to 17 are effective August 1, 2016.
445.3 Subdivision 4 is effective January 1, 2017.

445.4 Sec. 5. Minnesota Statutes 2015 Supplement, section 256B.441, subdivision 30,
445.5 is amended to read:

445.6 Subd. 30. **Median total care-related cost per diem and other operating per diem**
445.7 **determined.** (a) The commissioner shall determine the median total care-related per
445.8 diem to be used in subdivision 50 and the median other operating per diem to be used in
445.9 subdivision 51 using the cost reports from nursing facilities in Anoka, Carver, Dakota,
445.10 Hennepin, Ramsey, Scott, and Washington Counties.

445.11 (b) The median total care-related per diem shall be equal to the median ~~direct care~~
445.12 ~~cost~~ total care-related per diem for a RUG's weight of 1.00 for facilities located in the
445.13 counties listed in paragraph (a).

445.14 (c) The median other operating per diem shall be equal to the median other
445.15 operating per diem for facilities located in the counties listed in paragraph (a). The other
445.16 operating per diem shall be the sum of each facility's administrative costs, dietary costs,
445.17 housekeeping costs, laundry costs, and maintenance and plant operations costs divided
445.18 by each facility's resident days.

445.19 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2016.

445.20 Sec. 6. Minnesota Statutes 2015 Supplement, section 256B.441, subdivision 66,
445.21 is amended to read:

445.22 Subd. 66. **Nursing facilities in border cities.** (a) Rate increases under this section
445.23 for a facility located in Breckenridge are effective for the rate year beginning January 1,
445.24 2016, and annually thereafter; Rate increases under this section for a facility located in
445.25 Moorhead are effective for the rate year beginning January 1, 2020, and annually thereafter.

445.26 (b) Operating payment rates of a nonprofit nursing facility that exists on January 1,
445.27 2015, is located anywhere within the boundaries of the city of Breckenridge or Moorhead,
445.28 and is reimbursed under this section, section 256B.431, or section 256B.434, shall be
445.29 adjusted to be equal to the median RUG's rates, including comparable rate components as
445.30 determined by the commissioner, for the equivalent RUG's weight of the nonprofit nursing
445.31 facility or facilities located in an adjacent city in another state and in cities contiguous
445.32 to the adjacent city. The commissioner must make the comparison required under this
445.33 subdivision on October 1 of each year. The adjustment under this subdivision applies to
445.34 the rates effective on the following January 1.

446.1 (c) The Minnesota facility's operating payment rate with a weight of 1.0 shall be
446.2 computed by dividing the adjacent city's nursing facilities median operating payment rate
446.3 with a weight of 1.02 by 1.02. ~~If the adjustments under this subdivision result in a rate that~~
446.4 ~~exceeds the limits in subdivisions 50 and 51 in a given rate year, the facility's rate shall~~
446.5 ~~not be subject to those limits for that rate year.~~ If a facility's rate is increased under this
446.6 subdivision, the facility is not subject to the total care-related limit in subdivision 50 and is
446.7 not limited to the other operating price established in subdivision 51. This subdivision
446.8 shall apply only if it results in a higher operating payment rate than would otherwise be
446.9 determined under this section, section 256B.431, or section 256B.434.

446.10 Sec. 7. Minnesota Statutes 2014, section 256B.4912, is amended by adding a
446.11 subdivision to read:

446.12 Subd. 11. **Annual data submission.** (a) In a manner determined by the
446.13 commissioner, home and community-based services waiver providers enrolled under this
446.14 section shall submit data to the commissioner on the following:

446.15 (1) wages of workers;

446.16 (2) benefits paid;

446.17 (3) staff retention rates;

446.18 (4) amount of overtime paid;

446.19 (5) amount of travel time paid;

446.20 (6) vacancy rates; and

446.21 (7) other data elements determined by the commissioner.

446.22 (b) The commissioner may adjust reporting requirements for an individual
446.23 self-employed worker.

446.24 (c) This subdivision also applies to a provider of personal care assistance services
446.25 under section 256B.0625, subdivision 19a; community first services and supports under
446.26 section 256B.85; consumer support grants under section 256.476; nursing services and
446.27 home health services under section 256B.0625, subdivision 6a; home care nursing
446.28 services under section 256B.0625, subdivision 7; intermediate care facilities for persons
446.29 with developmental disabilities under section 256B.501; and day training and habilitation
446.30 providers serving residents of intermediate care facilities for persons with developmental
446.31 disabilities under section 256B.501.

446.32 (d) This data shall be submitted annually each calendar year on a date specified by
446.33 the commissioner. The commissioner shall give a provider at least 30 calendar days to
446.34 submit the data. Failure to submit the data requested may result in delays to medical
446.35 assistance reimbursement.

447.1 (e) Individually identifiable data submitted to the commissioner in this section are
447.2 considered private data on an individual, as defined by section 13.02, subdivision 12.

447.3 (f) The commissioner shall analyze data annually for workforce assessments and its
447.4 impact on service access.

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

447.6 Sec. 8. Minnesota Statutes 2015 Supplement, section 256B.4913, subdivision 4a,
447.7 is amended to read:

447.8 Subd. 4a. **Rate stabilization adjustment.** (a) For purposes of this subdivision,
447.9 "implementation period" means the period beginning January 1, 2014, and ending on
447.10 the last day of the month in which the rate management system is populated with the
447.11 data necessary to calculate rates for substantially all individuals receiving home and
447.12 community-based waiver services under sections 256B.092 and 256B.49. "Banding
447.13 period" means the time period beginning on January 1, 2014, and ending upon the
447.14 expiration of the 12-month period defined in paragraph (c), clause (5).

447.15 (b) For purposes of this subdivision, the historical rate for all service recipients means
447.16 the individual reimbursement rate for a recipient in effect on December 1, 2013, except that:

447.17 (1) for a day service recipient who was not authorized to receive these waiver
447.18 services prior to January 1, 2014; added a new service or services on or after January 1,
447.19 2014; or changed providers on or after January 1, 2014, the historical rate must be the
447.20 weighted average authorized rate for ~~the~~ each provider number in the county of service,
447.21 effective December 1, 2013; or

447.22 (2) for a unit-based service with programming or a unit-based service without
447.23 programming recipient who was not authorized to receive these waiver services prior to
447.24 January 1, 2014; added a new service or services on or after January 1, 2014; or changed
447.25 providers on or after January 1, 2014, the historical rate must be the weighted average
447.26 authorized rate for each provider number in the county of service, effective December 1,
447.27 2013; or

447.28 (3) for residential service recipients who change providers on or after January 1,
447.29 2014, the historical rate must be set by each lead agency within their ~~county~~ aggregate
447.30 budget using their respective methodology for residential services effective December 1,
447.31 2013, for determining the provider rate for a similarly situated recipient being served by
447.32 that provider.

447.33 (c) The commissioner shall adjust individual reimbursement rates determined under
447.34 this section so that the unit rate is no higher or lower than:

447.35 (1) 0.5 percent from the historical rate for the implementation period;

448.1 (2) 0.5 percent from the rate in effect in clause (1), for the 12-month period
448.2 immediately following the time period of clause (1);

448.3 (3) 0.5 percent from the rate in effect in clause (2), for the 12-month period
448.4 immediately following the time period of clause (2);

448.5 (4) 1.0 percent from the rate in effect in clause (3), for the 12-month period
448.6 immediately following the time period of clause (3);

448.7 (5) 1.0 percent from the rate in effect in clause (4), for the 12-month period
448.8 immediately following the time period of clause (4); and

448.9 (6) no adjustment to the rate in effect in clause (5) for the 12-month period
448.10 immediately following the time period of clause (5). During this banding rate period, the
448.11 commissioner shall not enforce any rate decrease or increase that would otherwise result
448.12 from the end of the banding period. The commissioner shall, upon enactment, seek federal
448.13 approval for the addition of this banding period.

448.14 (d) The commissioner shall review all changes to rates that were in effect on
448.15 December 1, 2013, to verify that the rates in effect produce the equivalent level of spending
448.16 and service unit utilization on an annual basis as those in effect on October 31, 2013.

448.17 (e) By December 31, 2014, the commissioner shall complete the review in paragraph
448.18 (d), adjust rates to provide equivalent annual spending, and make appropriate adjustments.

448.19 (f) During the banding period, the Medicaid Management Information System
448.20 (MMIS) service agreement rate must be adjusted to account for change in an individual's
448.21 need. The commissioner shall adjust the Medicaid Management Information System
448.22 (MMIS) service agreement rate by:

448.23 (1) calculating a service rate under section 256B.4914, subdivision 6, 7, 8, or 9, for
448.24 the individual with variables reflecting the level of service in effect on December 1, 2013;

448.25 (2) calculating a service rate under section 256B.4914, subdivision 6, 7, 8, or
448.26 9, for the individual with variables reflecting the updated level of service at the time
448.27 of application; and

448.28 (3) adding to or subtracting from the Medicaid Management Information System
448.29 (MMIS) service agreement rate, the difference between the values in clauses (1) and (2).

448.30 (g) This subdivision must not apply to rates for recipients served by providers new
448.31 to a given county after January 1, 2014. Providers of personal supports services who also
448.32 acted as fiscal support entities must be treated as new providers as of January 1, 2014.

448.33 Sec. 9. Minnesota Statutes 2014, section 256B.4914, subdivision 5, is amended to read:

448.34 Subd. 5. **Base wage index and standard component values.** (a) The base wage
448.35 index is established to determine staffing costs associated with providing services to

449.1 individuals receiving home and community-based services. For purposes of developing
449.2 and calculating the proposed base wage, Minnesota-specific wages taken from job
449.3 descriptions and standard occupational classification (SOC) codes from the Bureau of
449.4 Labor Statistics as defined in the most recent edition of the Occupational Handbook must
449.5 be used. The base wage index must be calculated as follows:

449.6 (1) for residential direct care staff, the sum of:

449.7 (i) 15 percent of the subtotal of 50 percent of the median wage for personal and
449.8 home health aide (SOC code 39-9021); 30 percent of the median wage for nursing aide
449.9 (SOC code 31-1012); and 20 percent of the median wage for social and human services
449.10 aide (SOC code 21-1093); and

449.11 (ii) 85 percent of the subtotal of 20 percent of the median wage for home health aide
449.12 (SOC code 31-1011); 20 percent of the median wage for personal and home health aide
449.13 (SOC code 39-9021); 20 percent of the median wage for nursing aide (SOC code 31-1012);
449.14 20 percent of the median wage for psychiatric technician (SOC code 29-2053); and 20
449.15 percent of the median wage for social and human services aide (SOC code 21-1093);

449.16 (2) for day services, 20 percent of the median wage for nursing aide (SOC code
449.17 31-1012); 20 percent of the median wage for psychiatric technician (SOC code 29-2053);
449.18 and 60 percent of the median wage for social and human services aide (SOC code 21-1093);

449.19 (3) for residential asleep-overnight staff, the wage will be \$7.66 per hour, except in
449.20 a family foster care setting, the wage is \$2.80 per hour;

449.21 (4) for behavior program analyst staff, 100 percent of the median wage for mental
449.22 health counselors (SOC code 21-1014);

449.23 (5) for behavior program professional staff, 100 percent of the median wage for
449.24 clinical counseling and school psychologist (SOC code 19-3031);

449.25 (6) for behavior program specialist staff, 100 percent of the median wage for
449.26 psychiatric technicians (SOC code 29-2053);

449.27 (7) for supportive living services staff, 20 percent of the median wage for nursing
449.28 aide (SOC code 31-1012); 20 percent of the median wage for psychiatric technician (SOC
449.29 code 29-2053); and 60 percent of the median wage for social and human services aide
449.30 (SOC code 21-1093);

449.31 (8) for housing access coordination staff, 50 percent of the median wage for
449.32 community and social services specialist (SOC code 21-1099); and 50 percent of the
449.33 median wage for social and human services aide (SOC code 21-1093);

449.34 (9) for in-home family support staff, 20 percent of the median wage for nursing
449.35 aide (SOC code 31-1012); 30 percent of the median wage for community social service
449.36 specialist (SOC code 21-1099); 40 percent of the median wage for social and human

450.1 services aide (SOC code 21-1093); and ten percent of the median wage for psychiatric
450.2 technician (SOC code 29-2053);

450.3 (10) for independent living skills staff, 40 percent of the median wage for community
450.4 social service specialist (SOC code 21-1099); 50 percent of the median wage for social
450.5 and human services aide (SOC code 21-1093); and ten percent of the median wage for
450.6 psychiatric technician (SOC code 29-2053);

450.7 (11) for supported employment staff, 20 percent of the median wage for nursing aide
450.8 (SOC code 31-1012); 20 percent of the median wage for psychiatric technician (SOC
450.9 code 29-2053); and 60 percent of the median wage for social and human services aide
450.10 (SOC code 21-1093);

450.11 (12) for adult companion staff, 50 percent of the median wage for personal and home
450.12 care aide (SOC code 39-9021); and 50 percent of the median wage for nursing aides,
450.13 orderlies, and attendants (SOC code 31-1012);

450.14 (13) for night supervision staff, 20 percent of the median wage for home health aide
450.15 (SOC code 31-1011); 20 percent of the median wage for personal and home health aide
450.16 (SOC code 39-9021); 20 percent of the median wage for nursing aide (SOC code 31-1012);
450.17 20 percent of the median wage for psychiatric technician (SOC code 29-2053); and 20
450.18 percent of the median wage for social and human services aide (SOC code 21-1093);

450.19 (14) for respite staff, 50 percent of the median wage for personal and home care aide
450.20 (SOC code 39-9021); and 50 percent of the median wage for nursing aides, orderlies, and
450.21 attendants (SOC code 31-1012);

450.22 (15) for personal support staff, 50 percent of the median wage for personal and home
450.23 care aide (SOC code 39-9021); and 50 percent of the median wage for nursing aides,
450.24 orderlies, and attendants (SOC code 31-1012);

450.25 (16) for supervisory staff, the basic wage is \$17.43 per hour with exception of the
450.26 supervisor of behavior analyst and behavior specialists, which must be \$30.75 per hour;

450.27 (17) for registered nurse, the basic wage is \$30.82 per hour; and

450.28 (18) for licensed practical nurse, the basic wage is \$18.64 per hour.

450.29 (b) Component values for residential support services are:

450.30 (1) supervisory span of control ratio: 11 percent;

450.31 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;

450.32 (3) employee-related cost ratio: 23.6 percent;

450.33 (4) general administrative support ratio: 13.25 percent;

450.34 (5) program-related expense ratio: 1.3 percent; and

450.35 (6) absence and utilization factor ratio: 3.9 percent.

450.36 (c) Component values for family foster care are:

- 451.1 (1) supervisory span of control ratio: 11 percent;
- 451.2 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 451.3 (3) employee-related cost ratio: 23.6 percent;
- 451.4 (4) general administrative support ratio: 3.3 percent;
- 451.5 (5) program-related expense ratio: 1.3 percent; and
- 451.6 (6) absence factor: 1.7 percent.
- 451.7 (d) Component values for day services for all services are:
- 451.8 (1) supervisory span of control ratio: 11 percent;
- 451.9 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 451.10 (3) employee-related cost ratio: 23.6 percent;
- 451.11 (4) program plan support ratio: 5.6 percent;
- 451.12 (5) client programming and support ratio: ten percent;
- 451.13 (6) general administrative support ratio: 13.25 percent;
- 451.14 (7) program-related expense ratio: 1.8 percent; and
- 451.15 (8) absence and utilization factor ratio: 3.9 percent.
- 451.16 (e) Component values for unit-based services with programming are:
- 451.17 (1) supervisory span of control ratio: 11 percent;
- 451.18 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 451.19 (3) employee-related cost ratio: 23.6 percent;
- 451.20 (4) program plan supports ratio: 3.1 percent;
- 451.21 (5) client programming and supports ratio: 8.6 percent;
- 451.22 (6) general administrative support ratio: 13.25 percent;
- 451.23 (7) program-related expense ratio: 6.1 percent; and
- 451.24 (8) absence and utilization factor ratio: 3.9 percent.
- 451.25 (f) Component values for unit-based services without programming except respite
- 451.26 are:
- 451.27 (1) supervisory span of control ratio: 11 percent;
- 451.28 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 451.29 (3) employee-related cost ratio: 23.6 percent;
- 451.30 (4) program plan support ratio: 3.1 percent;
- 451.31 (5) client programming and support ratio: 8.6 percent;
- 451.32 (6) general administrative support ratio: 13.25 percent;
- 451.33 (7) program-related expense ratio: 6.1 percent; and
- 451.34 (8) absence and utilization factor ratio: 3.9 percent.
- 451.35 (g) Component values for unit-based services without programming for respite are:
- 451.36 (1) supervisory span of control ratio: 11 percent;

452.1 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;

452.2 (3) employee-related cost ratio: 23.6 percent;

452.3 (4) general administrative support ratio: 13.25 percent;

452.4 (5) program-related expense ratio: 6.1 percent; and

452.5 (6) absence and utilization factor ratio: 3.9 percent.

452.6 (h) On July 1, 2017, the commissioner shall update the base wage index in paragraph

452.7 (a) based on the wage data by standard occupational code (SOC) from the Bureau of

452.8 Labor Statistics available on December 31, 2016. The commissioner shall publish these

452.9 updated values and load them into the rate management system. This adjustment occurs

452.10 every five years. For adjustments in 2021 and beyond, the commissioner shall use the data

452.11 available on December 31 of the calendar year five years prior.

452.12 (i) On July 1, 2017, the commissioner shall update the framework components in

452.13 paragraphs (b) to (g); subdivision 6, clauses (8) and (9); and subdivision 7, clauses (16) and

452.14 (17), for changes in the Consumer Price Index. The commissioner will adjust these values

452.15 higher or lower by the percentage change in the Consumer Price Index-All Items, United

452.16 States city average (CPI-U) from January 1, 2014, to January 1, 2017. The commissioner

452.17 shall publish these updated values and load them into the rate management system. This

452.18 adjustment occurs every five years. For adjustments in 2021 and beyond, the commissioner

452.19 shall use the data available on January 1 of the calendar year four years prior and January

452.20 1 of the current calendar year. No later than January 15, 2017, the commissioner shall

452.21 make recommendations for the incorporation of the cost of licensing fees as specified

452.22 under section 245A.10, subdivision 4, paragraph (m), into the rate framework.

452.23 Sec. 10. Minnesota Statutes 2015 Supplement, section 256B.4914, subdivision 10,

452.24 is amended to read:

452.25 Subd. 10. **Updating payment values and additional information.** (a) From

452.26 January 1, 2014, through December 31, 2017, the commissioner shall develop and

452.27 implement uniform procedures to refine terms and adjust values used to calculate payment

452.28 rates in this section.

452.29 (b) No later than July 1, 2014, the commissioner shall, within available resources,

452.30 begin to conduct research and gather data and information from existing state systems or

452.31 other outside sources on the following items:

452.32 (1) differences in the underlying cost to provide services and care across the state; and

452.33 (2) mileage, vehicle type, lift requirements, incidents of individual and shared rides,

452.34 and units of transportation for all day services, which must be collected from providers

452.35 using the rate management worksheet and entered into the rates management system; and

453.1 (3) the distinct underlying costs for services provided by a license holder under
453.2 sections 245D.05, 245D.06, 245D.07, 245D.071, 245D.081, and 245D.09, and for services
453.3 provided by a license holder certified under section 245D.33.

453.4 (c) Using a statistically valid set of rates management system data, the commissioner,
453.5 in consultation with stakeholders, shall analyze for each service the average difference
453.6 in the rate on December 31, 2013, and the framework rate at the individual, provider,
453.7 lead agency, and state levels. The commissioner shall issue semiannual reports to the
453.8 stakeholders on the difference in rates by service and by ~~county~~ lead agency during the
453.9 banding period under section 256B.4913, subdivision 4a. The commissioner shall issue
453.10 the first report by October 1, 2014.

453.11 (d) No later than July 1, 2014, the commissioner, in consultation with stakeholders,
453.12 shall begin the review and evaluation of the following values already in subdivisions 6 to
453.13 9, or issues that impact all services, including, but not limited to:

- 453.14 (1) values for transportation rates for day services;
- 453.15 (2) values for transportation rates in residential services;
- 453.16 (3) values for services where monitoring technology replaces staff time;
- 453.17 (4) values for indirect services;
- 453.18 (5) values for nursing;
- 453.19 (6) component values for independent living skills;
- 453.20 (7) component values for family foster care that reflect licensing requirements;
- 453.21 (8) adjustments to other components to replace the budget neutrality factor;
- 453.22 (9) remote monitoring technology for nonresidential services;
- 453.23 (10) values for basic and intensive services in residential services;
- 453.24 (11) values for the facility use rate in day services, and the weightings used in the
453.25 day service ratios and adjustments to those weightings;
- 453.26 (12) values for workers' compensation as part of employee-related expenses;
- 453.27 (13) values for unemployment insurance as part of employee-related expenses;
- 453.28 (14) a component value to reflect costs for individuals with rates previously adjusted
453.29 for the inclusion of group residential housing rate 3 costs, only for any individual enrolled
453.30 as of December 31, 2013; and
- 453.31 (15) any changes in state or federal law with an impact on the underlying cost of
453.32 providing home and community-based services.

453.33 (e) The commissioner shall report to the chairs and the ranking minority members of
453.34 the legislative committees and divisions with jurisdiction over health and human services
453.35 policy and finance with the information and data gathered under paragraphs (b) to (d)
453.36 on the following dates:

454.1 (1) January 15, 2015, with preliminary results and data;

454.2 (2) January 15, 2016, with a status implementation update, and additional data
454.3 and summary information;

454.4 (3) January 15, 2017, with the full report; and

454.5 (4) January 15, 2019, with another full report, and a full report once every four
454.6 years thereafter.

454.7 (f) Based on the commissioner's evaluation of the information and data collected in
454.8 paragraphs (b) to (d), the commissioner shall make recommendations to the legislature by
454.9 January 15, 2015, to address any issues identified during the first year of implementation.
454.10 After January 15, 2015, the commissioner may make recommendations to the legislature
454.11 to address potential issues.

454.12 (g) The commissioner shall implement a regional adjustment factor to all rate
454.13 calculations in subdivisions 6 to 9, effective no later than January 1, 2015. Prior to
454.14 implementation, the commissioner shall consult with stakeholders on the methodology to
454.15 calculate the adjustment.

454.16 (h) The commissioner shall provide a public notice via LISTSERV in October of
454.17 each year beginning October 1, 2014, containing information detailing legislatively
454.18 approved changes in:

454.19 (1) calculation values including derived wage rates and related employee and
454.20 administrative factors;

454.21 (2) service utilization;

454.22 (3) ~~county and tribal~~ lead agency allocation changes; and

454.23 (4) information on adjustments made to calculation values and the timing of those
454.24 adjustments.

454.25 The information in this notice must be effective January 1 of the following year.

454.26 (i) No later than July 1, 2016, the commissioner shall develop and implement, in
454.27 consultation with stakeholders, a methodology sufficient to determine the shared staffing
454.28 levels necessary to meet, at a minimum, health and welfare needs of individuals who
454.29 will be living together in shared residential settings, and the required shared staffing
454.30 activities described in subdivision 2, paragraph (l). This determination methodology must
454.31 ensure staffing levels are adaptable to meet the needs and desired outcomes for current and
454.32 prospective residents in shared residential settings.

454.33 (j) When the available shared staffing hours in a residential setting are insufficient to
454.34 meet the needs of an individual who enrolled in residential services after January 1, 2014,
454.35 or insufficient to meet the needs of an individual with a service agreement adjustment

455.1 described in section 256B.4913, subdivision 4a, paragraph (f), then individual staffing
455.2 hours shall be used.

455.3 Sec. 11. Minnesota Statutes 2014, section 256B.4914, subdivision 11, is amended to
455.4 read:

455.5 Subd. 11. **Payment implementation.** Upon implementation of the payment
455.6 methodologies under this section, those payment rates supersede rates established in
455.7 ~~county~~ lead agency contracts for recipients receiving waiver services under section
455.8 256B.092 or 256B.49.

455.9 Sec. 12. Minnesota Statutes 2015 Supplement, section 256B.4914, subdivision 14,
455.10 is amended to read:

455.11 Subd. 14. **Exceptions.** (a) In a format prescribed by the commissioner, lead
455.12 agencies must identify individuals with exceptional needs that cannot be met under the
455.13 disability waiver rate system. The commissioner shall use that information to evaluate
455.14 and, if necessary, approve an alternative payment rate for those individuals. Whether
455.15 granted, denied, or modified, the commissioner shall respond to all exception requests in
455.16 writing. The commissioner shall include in the written response the basis for the action
455.17 and provide notification of the right to appeal under paragraph (h).

455.18 (b) Lead agencies must act on an exception request within 30 days and notify the
455.19 initiator of the request of their recommendation in writing. A lead agency shall submit all
455.20 exception requests along with its recommendation to the commissioner.

455.21 (c) An application for a rate exception may be submitted for the following criteria:

455.22 (1) an individual has service needs that cannot be met through additional units
455.23 of service;

455.24 (2) an individual's rate determined under subdivisions 6, 7, 8, and 9 is so insufficient
455.25 that it has resulted in an individual receiving a notice of discharge from the individual's
455.26 provider; ~~or~~

455.27 (3) an individual's service needs, including behavioral changes, require a level of
455.28 service which necessitates a change in provider or which requires the current provider to
455.29 propose service changes beyond those currently authorized; or

455.30 (4) an individual's service needs cannot be met through a weighted county average
455.31 rate as defined in section 256B.4913, subdivision 4a.

455.32 (d) Exception requests must include the following information:

455.33 (1) the service needs required by each individual that are not accounted for in
455.34 subdivisions 6, 7, 8, and 9;

456.1 (2) the service rate requested and the difference from the rate determined in
456.2 subdivisions 6, 7, 8, and 9;

456.3 (3) a basis for the underlying costs used for the rate exception and any accompanying
456.4 documentation; and

456.5 (4) any contingencies for approval.

456.6 (e) Approved rate exceptions shall be managed within lead agency allocations under
456.7 sections 256B.092 and 256B.49.

456.8 (f) Individual disability waiver recipients, an interested party, or the license holder
456.9 that would receive the rate exception increase may request that a lead agency submit an
456.10 exception request. A lead agency that denies such a request shall notify the individual
456.11 waiver recipient, interested party, or license holder of its decision and the reasons for
456.12 denying the request in writing no later than 30 days after the request has been made and
456.13 shall submit its denial to the commissioner in accordance with paragraph (b). The reasons
456.14 for the denial must be based on the failure to meet the criteria in paragraph (c).

456.15 (g) The commissioner shall determine whether to approve or deny an exception
456.16 request no more than 30 days after receiving the request. If the commissioner denies the
456.17 request, the commissioner shall notify the lead agency and the individual disability waiver
456.18 recipient, the interested party, and the license holder in writing of the reasons for the denial.

456.19 (h) The individual disability waiver recipient may appeal any denial of an exception
456.20 request by either the lead agency or the commissioner, pursuant to sections 256.045 and
456.21 256.0451. When the denial of an exception request results in the proposed demission of a
456.22 waiver recipient from a residential or day habilitation program, the commissioner shall
456.23 issue a temporary stay of demission, when requested by the disability waiver recipient,
456.24 consistent with the provisions of section 256.045, subdivisions 4a and 6, paragraph (c).
456.25 The temporary stay shall remain in effect until the lead agency can provide an informed
456.26 choice of appropriate, alternative services to the disability waiver.

456.27 (i) Providers may petition lead agencies to update values that were entered
456.28 incorrectly or erroneously into the rate management system, based on past service level
456.29 discussions and determination in subdivision 4, without applying for a rate exception.

456.30 (j) The starting date for the rate exception will be the later of the date of the
456.31 recipient's change in support or the date of the request to the lead agency for an exception.

456.32 (k) The commissioner shall track all exception requests received and their
456.33 dispositions. The commissioner shall issue quarterly public exceptions statistical reports,
456.34 including the number of exception requests received and the numbers granted, denied,
456.35 withdrawn, and pending. The report shall include the average amount of time required to
456.36 process exceptions.

457.1 (l) No later than January 15, 2016, the commissioner shall provide research
457.2 findings on the estimated fiscal impact, the primary cost drivers, and common population
457.3 characteristics of recipients with needs that cannot be met by the framework rates.

457.4 (m) No later than July 1, 2016, the commissioner shall develop and implement,
457.5 in consultation with stakeholders, a process to determine eligibility for rate exceptions
457.6 for individuals with rates determined under the methodology in section 256B.4913,
457.7 subdivision 4a. Determination of eligibility for an exception will occur as annual service
457.8 renewals are completed.

457.9 (n) Approved rate exceptions will be implemented at such time that the individual's
457.10 rate is no longer banded and remain in effect in all cases until an individual's needs change
457.11 as defined in paragraph (c).

457.12 Sec. 13. Minnesota Statutes 2015 Supplement, section 256B.4914, subdivision 15,
457.13 is amended to read:

457.14 Subd. 15. ~~County or tribal~~ **Lead agency allocations.** (a) Upon implementation of
457.15 the disability waiver rates management system on January 1, 2014, the commissioner shall
457.16 establish a method of tracking and reporting the fiscal impact of the disability waiver rates
457.17 management system on individual lead agencies.

457.18 (b) Beginning January 1, 2014, the commissioner shall make annual adjustments to
457.19 lead agencies' home and community-based waived service budget allocations to adjust
457.20 for rate differences and the resulting impact on ~~county~~ lead agency allocations upon
457.21 implementation of the disability waiver rates system.

457.22 (c) Lead agencies exceeding their allocations shall be subject to the provisions under
457.23 sections 256B.0916, subdivision 11, and 256B.49, subdivision 26.

457.24 Sec. 14. **PROVIDER RATE AND GRANT INCREASES EFFECTIVE JULY**
457.25 **1, 2016.**

457.26 (a) The commissioner of human services shall increase reimbursement rates, grants,
457.27 allocations, individual limits, and rate limits, as applicable, by 2.72 percent for the rate
457.28 period beginning July 1, 2016, for services rendered on or after that date. County or tribal
457.29 contracts for services specified in this section must be amended to pass through with these
457.30 rate increases within 60 days of the effective date.

457.31 (b) The rate changes described in this section must be provided to:

457.32 (1) the following services within the home and community-based waiver for persons
457.33 with developmental disabilities under Minnesota Statutes, section 256B.092: extended
457.34 personal care, personal support, chore, respite care services except for crisis respite

458.1 services, homemaker cleaning services, and consumer-directed community supports
458.2 budgets;

458.3 (2) the following services within the community access for disability inclusion
458.4 waiver under Minnesota Statutes, section 256B.49: extended personal care, chore, respite
458.5 care services, homemaker cleaning services, and consumer-directed community supports
458.6 budgets;

458.7 (3) the following services within the community alternative care waiver under
458.8 Minnesota Statutes, section 256B.49: extended personal care, chore, respite care services,
458.9 homemaker cleaning services, and consumer-directed community supports budgets;

458.10 (4) the following services within the brain injury waiver under Minnesota Statutes,
458.11 section 256B.49: extended personal care, chore, respite care services, homemaker
458.12 cleaning services, and consumer-directed community supports budgets;

458.13 (5) the following services within the elderly waiver under Minnesota Statutes,
458.14 section 256B.0915: extended personal care, companion, chore, respite care services,
458.15 homemaker cleaning services, and consumer-directed community supports budgets;

458.16 (6) the following services within the alternative care program under Minnesota
458.17 Statutes, section 256B.0913: personal care, companion, chore, respite care services,
458.18 homemaker cleaning services, and consumer-directed community supports budgets;

458.19 (7) personal care services and qualified professional supervision of personal care
458.20 services under Minnesota Statutes, section 256B.0625, subdivision 6a or 19a; and

458.21 (8) consumer support grants under Minnesota Statutes, section 256.476.

458.22 (c) A managed care plan or county-based purchasing plan receiving state payments
458.23 for the services in paragraph (b) must include the increases in paragraph (a) in payments
458.24 to providers. To implement the rate increase in this section, capitation rates paid by the
458.25 commissioner to managed care organizations under Minnesota Statutes, section 256B.69,
458.26 shall reflect a 2.72 percent increase for the specified services provided on or after July
458.27 1, 2016.

458.28 (d) Counties and tribes shall increase the budget for each recipient of
458.29 consumer-directed community supports by the amounts in paragraph (a) on the effective
458.30 dates in paragraph (a).

458.31 (e) To implement the provisions of this section, the commissioner shall increase
458.32 applicable service rates in the disability waiver payment system authorized in Minnesota
458.33 Statutes, sections 256B.4913 and 256B.4914.

458.34 (f) A provider that receives a rate adjustment under paragraph (a) shall use 90
458.35 percent of the additional revenue to increase compensation-related costs for employees
458.36 directly employed by the program on or after July 1, 2016, except:

459.1 (1) persons employed in the central office of a corporation or entity that has an
459.2 ownership interest in the provider or exercises control over the provider; and

459.3 (2) persons paid by the provider under a management contract.

459.4 (g) Compensation-related costs include:

459.5 (1) wages and salaries, including overtime and travel time;

459.6 (2) the employer's share of FICA taxes, Medicare taxes, state and federal
459.7 unemployment taxes, workers' compensation, and mileage reimbursement;

459.8 (3) the employer's share of health and dental insurance, life insurance, disability
459.9 insurance, long-term care insurance, uniform allowance, pensions, and contributions to
459.10 employee retirement accounts; and

459.11 (4) other employee benefits provided, such as training of employees, as specified in
459.12 the distribution plan and required under paragraph (i) and approved by the commissioner.

459.13 (h) Nothing in this subdivision prevents a provider as an employer from allocating the
459.14 increase in revenues across the eligible compensation-related costs listed in paragraph (g).

459.15 (i) For a provider that has employees who are represented by an exclusive bargaining
459.16 representative, the provider shall obtain a letter of acceptance of the distribution plan
459.17 required under paragraph (j) for the members of the bargaining unit, signed by the
459.18 exclusive bargaining agent. Upon receipt of the letter of acceptance, the provider shall be
459.19 deemed to have met all the requirements of this section for the members of the bargaining
459.20 unit. Upon request, the provider shall produce a letter of acceptance for the commissioner.

459.21 (j) A provider that receives a rate adjustment under paragraph (a) that is subject to
459.22 paragraph (f) shall prepare and, upon request, submit to the commissioner a distribution
459.23 plan that specifies the amount of money that is subject to the requirements of paragraph (f)
459.24 the provider expects to receive, including the amount of money that will be distributed
459.25 to increase compensation for employees. The distribution plan must also include the
459.26 provider's policy for scheduling overtime. The provider's policy must not limit the
459.27 scheduling of overtime hours where an individual's service needs are unmet without a
459.28 worker exceeding 40 hours per week of work, consistent with the monthly work-hour limit
459.29 under Minnesota Statutes, section 256B.0659, subdivision 11, paragraph (a), clause (10),
459.30 and the service recipient's authorized hours. The provider's overtime scheduling policy
459.31 must provide for a process that reliably and expeditiously provides services to recipients.

459.32 (k) Within six months of the effective date of the rate adjustment, the provider shall
459.33 post the distribution plan required under paragraph (j) for a period of at least six weeks in
459.34 an area of the provider's operation to which all eligible employees have access and shall
459.35 provide instructions for employees who do not believe they received the wage and other
459.36 compensation-related increases specified in the distribution plan. The instructions must

460.1 include a mailing address, e-mail address, and telephone number that the employees may
460.2 use to contact the commissioner or the commissioner's representative.

460.3 **EFFECTIVE DATE.** This section is effective July 1, 2016.

460.4 Sec. 15. **INSTRUCTION TO THE COMMISSIONER.**

460.5 The commissioner shall amend the medical assistance state plan for the EIDBI
460.6 benefit, authorized under Minnesota Statutes, section 256B.0949, to reference relevant
460.7 statutory sections. When duplicative of statutory language, the commissioner shall remove
460.8 the language from the state plan.

460.9 Sec. 16. **REVISOR'S INSTRUCTION.**

460.10 The revisor of statutes shall codify Laws 2015, chapter 71, article 7, section 55, as
460.11 Minnesota Statutes, section 256B.0921.

460.12 **ARTICLE 25**

460.13 **HEALTH CARE**

460.14 Section 1. Minnesota Statutes 2015 Supplement, section 16A.724, subdivision 2,
460.15 is amended to read:

460.16 Subd. 2. **Transfers.** (a) Notwithstanding section 295.581, to the extent available
460.17 resources in the health care access fund exceed expenditures in that fund, effective for
460.18 the biennium beginning July 1, 2007, the commissioner of management and budget
460.19 shall transfer the excess funds from the health care access fund to the general fund on
460.20 June 30 of each year, provided that the amount transferred in fiscal year 2016 shall not
460.21 exceed \$48,000,000, the amount in fiscal year 2017 shall not exceed \$122,000,000, and
460.22 the amount in any fiscal biennium thereafter shall not exceed ~~\$96,000,000~~ \$244,000,000.

460.23 The purpose of this transfer is to meet the rate increase required under Laws 2003, First
460.24 Special Session chapter 14, article 13C, section 2, subdivision 6.

460.25 (b) For fiscal years 2006 to 2011, MinnesotaCare shall be a forecasted program, and,
460.26 if necessary, the commissioner shall reduce these transfers from the health care access
460.27 fund to the general fund to meet annual MinnesotaCare expenditures or, if necessary,
460.28 transfer sufficient funds from the general fund to the health care access fund to meet
460.29 annual MinnesotaCare expenditures.

460.30 Sec. 2. Minnesota Statutes 2014, section 62J.497, subdivision 1, is amended to read:

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

461.3 (a) "Backward compatible" means that the newer version of a data transmission
461.4 standard would retain, at a minimum, the full functionality of the versions previously
461.5 adopted, and would permit the successful completion of the applicable transactions with
461.6 entities that continue to use the older versions.

461.7 (b) "Dispense" or "dispensing" has the meaning given in section 151.01, subdivision
461.8 30. Dispensing does not include the direct administering of a controlled substance to a
461.9 patient by a licensed health care professional.

461.10 (c) "Dispenser" means a person authorized by law to dispense a controlled substance,
461.11 pursuant to a valid prescription.

461.12 (d) "Electronic media" has the meaning given under Code of Federal Regulations,
461.13 title 45, part 160.103.

461.14 (e) "E-prescribing" means the transmission using electronic media of prescription
461.15 or prescription-related information between a prescriber, dispenser, pharmacy benefit
461.16 manager, or group purchaser, either directly or through an intermediary, including
461.17 an e-prescribing network. E-prescribing includes, but is not limited to, two-way
461.18 transmissions between the point of care and the dispenser and two-way transmissions
461.19 related to eligibility, formulary, and medication history information.

461.20 (f) "Electronic prescription drug program" means a program that provides for
461.21 e-prescribing.

461.22 (g) "Group purchaser" has the meaning given in section 62J.03, subdivision 6.

461.23 (h) "HL7 messages" means a standard approved by the standards development
461.24 organization known as Health Level Seven.

461.25 (i) "National Provider Identifier" or "NPI" means the identifier described under Code
461.26 of Federal Regulations, title 45, part 162.406.

461.27 (j) "NCPDP" means the National Council for Prescription Drug Programs, Inc.

461.28 (k) "NCPDP Formulary and Benefits Standard" means the National Council for
461.29 Prescription Drug Programs Formulary and Benefits Standard, Implementation Guide,
461.30 Version 1, Release 0, October 2005.

461.31 (l) "NCPDP SCRIPT Standard" means the National Council for Prescription Drug
461.32 Programs Prescriber/Pharmacist Interface SCRIPT Standard, Implementation Guide
461.33 Version 8, Release 1 (Version 8.1), October 2005, or the most recent standard adopted by
461.34 the Centers for Medicare and Medicaid Services for e-prescribing under Medicare Part
461.35 D as required by section 1860D-4(e)(4)(D) of the Social Security Act, and regulations
461.36 adopted under it. The standards shall be implemented according to the Centers for

462.1 Medicare and Medicaid Services schedule for compliance. Subsequently released
462.2 versions of the NCPDP SCRIPT Standard may be used, provided that the new version
462.3 of the standard is backward compatible to the current version adopted by the Centers for
462.4 Medicare and Medicaid Services.

462.5 (m) "Pharmacy" has the meaning given in section 151.01, subdivision 2.

462.6 (n) "Prescriber" means a licensed health care practitioner, other than a veterinarian,
462.7 as defined in section 151.01, subdivision 23.

462.8 (o) "Prescription-related information" means information regarding eligibility for
462.9 drug benefits, medication history, or related health or drug information.

462.10 (p) "Provider" or "health care provider" has the meaning given in section 62J.03,
462.11 subdivision 8.

462.12 (q) "Utilization review organization" has the meaning given in section 62M.02,
462.13 subdivision 21.

462.14 Sec. 3. Minnesota Statutes 2014, section 62J.497, subdivision 3, is amended to read:

462.15 Subd. 3. **Standards for electronic prescribing.** (a) Prescribers and dispensers
462.16 must use the NCPDP SCRIPT Standard for the communication of a prescription or
462.17 prescription-related information. The NCPDP SCRIPT Standard shall be used to conduct
462.18 the following transactions:

- 462.19 (1) get message transaction;
- 462.20 (2) status response transaction;
- 462.21 (3) error response transaction;
- 462.22 (4) new prescription transaction;
- 462.23 (5) prescription change request transaction;
- 462.24 (6) prescription change response transaction;
- 462.25 (7) refill prescription request transaction;
- 462.26 (8) refill prescription response transaction;
- 462.27 (9) verification transaction;
- 462.28 (10) password change transaction;
- 462.29 (11) cancel prescription request transaction; and
- 462.30 (12) cancel prescription response transaction.

462.31 (b) Providers, group purchasers, prescribers, and dispensers must use the NCPDP
462.32 SCRIPT Standard for communicating and transmitting medication history information.

462.33 (c) Providers, group purchasers, prescribers, and dispensers must use the NCPDP
462.34 Formulary and Benefits Standard for communicating and transmitting formulary and
462.35 benefit information.

463.1 (d) Group purchaser, other than workers' compensation plans and the medical
463.2 component of automobile insurance coverage, and utilization review organizations must
463.3 develop processes to ensure that prescribers can obtain information about covered drugs
463.4 from the same class or classes as a drug originally prescribed but denied. This process
463.5 must allow communication to the prescriber via telephone, or for the medical assistance
463.6 fee-for-service program under chapter 256B via a public Web site.

463.7 ~~(d)~~ (e) Providers, group purchasers, prescribers, and dispensers must use the national
463.8 provider identifier to identify a health care provider in e-prescribing or prescription-related
463.9 transactions when a health care provider's identifier is required.

463.10 ~~(e)~~ (f) Providers, group purchasers, prescribers, and dispensers must communicate
463.11 eligibility information and conduct health care eligibility benefit inquiry and response
463.12 transactions according to the requirements of section 62J.536.

463.13 Sec. 4. Minnesota Statutes 2014, section 62M.02, is amended by adding a subdivision
463.14 to read:

463.15 Subd. 10a. **Drug.** "Drug" has the meaning given in section 151.01, subdivision 5.

463.16 Sec. 5. Minnesota Statutes 2014, section 62M.02, is amended by adding a subdivision
463.17 to read:

463.18 Subd. 11a. **Formulary.** "Formulary" has the meaning given in section 62Q.83,
463.19 subdivision 1.

463.20 Sec. 6. Minnesota Statutes 2014, section 62M.02, subdivision 12, is amended to read:

463.21 Subd. 12. **Health benefit plan.** "Health benefit plan" means a policy, contract, or
463.22 certificate issued by a health plan company for the coverage of medical, dental, prescription
463.23 drug, or hospital benefits. A health benefit plan does not include coverage that is:

463.24 (1) limited to disability or income protection coverage;

463.25 (2) automobile medical payment coverage;

463.26 (3) supplemental to liability insurance;

463.27 (4) designed solely to provide payments on a per diem, fixed indemnity, or
463.28 nonexpense incurred basis;

463.29 (5) credit accident and health insurance issued under chapter 62B;

463.30 (6) blanket accident and sickness insurance as defined in section 62A.11;

463.31 (7) accident only coverage issued by a licensed and tested insurance agent; or

463.32 (8) workers' compensation.

464.1 Sec. 7. Minnesota Statutes 2014, section 62M.02, subdivision 14, is amended to read:

464.2 Subd. 14. **Outpatient services.** "Outpatient services" means procedures or services
464.3 performed on a basis other than as an inpatient, and includes obstetrical, psychiatric,
464.4 chemical dependency, dental, prescription drug, and chiropractic services.

464.5 Sec. 8. Minnesota Statutes 2014, section 62M.02, is amended by adding a subdivision
464.6 to read:

464.7 Subd. 14a. **Prescription.** "Prescription" has the meaning given in section 151.01,
464.8 subdivision 16a.

464.9 Sec. 9. Minnesota Statutes 2014, section 62M.02, is amended by adding a subdivision
464.10 to read:

464.11 Subd. 14b. **Prescription drug order.** "Prescription drug order" has the meaning
464.12 given in section 151.01, subdivision 16.

464.13 Sec. 10. Minnesota Statutes 2014, section 62M.02, subdivision 15, is amended to read:

464.14 Subd. 15. **Prior authorization.** "Prior authorization" means utilization review
464.15 conducted prior to the delivery of a service, including an outpatient service. Prior
464.16 authorization includes, but is not limited to, preadmission review, pretreatment review,
464.17 quantity limits, step therapy, utilization, and case management. Prior authorization also
464.18 includes any utilization review organization's requirement that an enrollee or provider
464.19 notify the utilization review organization prior to providing a service, including an
464.20 outpatient service. Reviews performed for emergency medical assistance benefits, medical
464.21 assistance waived services, or the Minnesota restricted recipient program are not prior
464.22 authorization.

464.23 Sec. 11. Minnesota Statutes 2014, section 62M.02, subdivision 17, is amended to read:

464.24 Subd. 17. **Provider.** "Provider" means a licensed health care facility, physician,
464.25 pharmacist, or other health care professional that delivers health care services to an enrollee.

464.26 Sec. 12. Minnesota Statutes 2014, section 62M.02, is amended by adding a subdivision
464.27 to read:

464.28 Subd. 18a. **Quantity limit.** "Quantity limit" means a limit on the number of doses
464.29 of a prescription drug that are covered during a specific time period.

465.1 Sec. 13. Minnesota Statutes 2014, section 62M.02, is amended by adding a subdivision
465.2 to read:

465.3 Subd. 19a. **Step therapy.** "Step therapy" means clinical practice or other
465.4 evidence-based protocols or requirements that specify the sequence in which different
465.5 prescription drugs for a given medical condition are to be used by an enrollee before a
465.6 drug prescribed by a provider is covered. Step therapy does not include a requirement
465.7 for an enrollee to use a generic or biosimilar product considered by the Food and Drug
465.8 Administration to be therapeutically equivalent and interchangeable to a branded product,
465.9 provided the generic or biosimilar product has not previously been tried by the patient.

465.10 Sec. 14. Minnesota Statutes 2014, section 62M.05, subdivision 3a, is amended to read:

465.11 Subd. 3a. **Standard review determination.** (a) Notwithstanding subdivision 3b, an
465.12 initial determination on all requests for utilization review, except a determination related
465.13 to prescription drugs, must be communicated to the provider and enrollee in accordance
465.14 with this subdivision within ten business days of the request, provided that all information
465.15 reasonably necessary to make a determination on the request has been made available to
465.16 the utilization review organization.

465.17 (b) An initial determination for utilization review on all prescription drug requests
465.18 must be communicated to the provider and enrollee in accordance with this subdivision
465.19 within five business days of the request, provided that all information reasonably necessary
465.20 to make a determination on the request has been made available to the utilization review
465.21 organization.

465.22 ~~(b)~~ (c) When an initial determination is made to certify, notification must be
465.23 provided promptly by telephone to the provider. The utilization review organization
465.24 shall send written notification to the provider or shall maintain an audit trail of the
465.25 determination and telephone notification. For purposes of this subdivision, "audit trail"
465.26 includes documentation of the telephone notification, including the date; the name of the
465.27 person spoken to; the enrollee; the service, procedure, or admission certified; and the date
465.28 of the service, procedure, or admission. If the utilization review organization indicates
465.29 certification by use of a number, the number must be called the "certification number."
465.30 For purposes of this subdivision, notification may also be made by facsimile to a verified
465.31 number or by electronic mail to a secure electronic mailbox. These electronic forms of
465.32 notification satisfy the "audit trail" requirement of this paragraph.

465.33 ~~(c)~~ (d) When an initial determination is made not to certify, notification must be
465.34 provided by telephone, by facsimile to a verified number, or by electronic mail to a secure
465.35 electronic mailbox within one working day after making the determination to the attending

466.1 health care professional and hospital as applicable. Written notification must also be sent
466.2 to the hospital as applicable and attending health care professional if notification occurred
466.3 by telephone. For purposes of this subdivision, notification may be made by facsimile to a
466.4 verified number or by electronic mail to a secure electronic mailbox. Written notification
466.5 must be sent to the enrollee and may be sent by United States mail, facsimile to a verified
466.6 number, or by electronic mail to a secure mailbox. The written notification must include
466.7 the principal reason or reasons for the determination and the process for initiating an appeal
466.8 of the determination. Upon request, the utilization review organization shall provide the
466.9 provider or enrollee with the criteria used to determine the necessity, appropriateness,
466.10 and efficacy of the health care service and identify the database, professional treatment
466.11 parameter, or other basis for the criteria. Reasons for a determination not to certify may
466.12 include, among other things, the lack of adequate information to certify after a reasonable
466.13 attempt has been made to contact the provider or enrollee.

466.14 ~~(d)~~ (e) When an initial determination is made not to certify, the written notification
466.15 must inform the enrollee and the attending health care professional of the right to submit
466.16 an appeal to the internal appeal process described in section 62M.06 and the procedure
466.17 for initiating the internal appeal. The written notice shall be provided in a culturally and
466.18 linguistically appropriate manner consistent with the provisions of the Affordable Care
466.19 Act as defined under section 62A.011, subdivision 1a.

466.20 Sec. 15. Minnesota Statutes 2014, section 62M.05, subdivision 3b, is amended to read:

466.21 Subd. 3b. **Expedited review determination.** (a) An expedited initial determination
466.22 must be utilized if the attending health care professional believes that an expedited
466.23 determination is warranted.

466.24 (b) Notification of an expedited initial determination to either certify or not to
466.25 certify, except a determination related to prescription drugs, must be provided to the
466.26 hospital, the attending health care professional, and the enrollee as expeditiously as the
466.27 enrollee's medical condition requires, but no later than 72 hours from the initial request.
466.28 When an expedited initial determination is made not to certify, the utilization review
466.29 organization must also notify the enrollee and the attending health care professional of the
466.30 right to submit an appeal to the expedited internal appeal as described in section 62M.06
466.31 and the procedure for initiating an internal expedited appeal.

466.32 (c) Notification of an expedited initial determination to either certify or not to
466.33 certify on all prescription drug requests must be provided to the hospital, the attending
466.34 health care professional, and the enrollee as expeditiously as the enrollee's medical
466.35 condition requires, but no later than 36 hours from the initial request, provided that all the

467.1 information reasonably necessary to make a determination has been made available to the
467.2 utilization review organization. For state public health care programs administered under
467.3 section 256B.69 and chapter 256L, notification must be provided to the hospital, attending
467.4 health care provider, or the enrollee as expeditiously as the enrollee's condition requires,
467.5 but no later than 36 hours from the initial request, provided that all the information
467.6 reasonably necessary to make a determination has been made available to the utilization
467.7 review organization. When an expedited initial determination is made not to certify, the
467.8 utilization review organization must also notify the enrollee and the attending health care
467.9 professional of the right to submit an appeal to the expedited internal appeal as described
467.10 in section 62M.06, and the procedure for initiating an internal expedited appeal.

467.11 Sec. 16. Minnesota Statutes 2014, section 62M.06, subdivision 2, is amended to read:

467.12 Subd. 2. **Expedited appeal.** (a) When an initial determination not to certify a
467.13 health care service is made prior to or during an ongoing service requiring review
467.14 and the attending health care professional believes that the determination warrants an
467.15 expedited appeal, the utilization review organization must ensure that the enrollee and the
467.16 attending health care professional have an opportunity to appeal the determination over
467.17 the telephone on an expedited basis. In such an appeal, the utilization review organization
467.18 must ensure reasonable access to its consulting physician or health care provider.

467.19 (b) The utilization review organization shall notify the enrollee and attending
467.20 health care professional by telephone of its determination, except for determinations
467.21 related to prescription drugs, on the expedited appeal as expeditiously as the enrollee's
467.22 medical condition requires, but no later than 72 hours after receiving the expedited appeal.
467.23 The utilization review organization shall notify the enrollee and attending health care
467.24 professional by telephone of its determination on the expedited appeal of a prescription
467.25 drug request as expeditiously as the enrollee's medical condition requires, but no later than
467.26 36 hours after receiving the expedited appeal.

467.27 (c) If the determination not to certify is not reversed through the expedited appeal,
467.28 the utilization review organization must include in its notification the right to submit the
467.29 appeal to the external appeal process described in section 62Q.73 and the procedure for
467.30 initiating the process. This information must be provided in writing to the enrollee and
467.31 the attending health care professional as soon as practical.

467.32 Sec. 17. Minnesota Statutes 2014, section 62M.06, subdivision 3, is amended to read:

467.33 Subd. 3. **Standard appeal.** The utilization review organization must establish
467.34 procedures for appeals to be made either in writing or by telephone.

468.1 (a) A utilization review organization shall notify in writing the enrollee, attending
468.2 health care professional, and claims administrator of its determination on the appeal,
468.3 except for determinations related to prescription drugs, within 30 days upon receipt of the
468.4 notice of appeal. If the utilization review organization cannot make a determination within
468.5 30 days due to circumstances outside the control of the utilization review organization, the
468.6 utilization review organization may take up to 14 additional days to notify the enrollee,
468.7 attending health care professional, and claims administrator of its determination. If the
468.8 utilization review organization takes any additional days beyond the initial 30-day period
468.9 to make its determination, it must inform the enrollee, attending health care professional,
468.10 and claims administrator, in advance, of the extension and the reasons for the extension.

468.11 (b) A utilization review organization shall notify in writing the enrollee, attending
468.12 health care professional, and claims administrator of its determination on the appeal on a
468.13 prescription drug within 15 days upon receipt of the notice of appeal. If the utilization
468.14 review organization cannot make a determination on a prescription drug within 15 days
468.15 due to circumstances outside the control of the utilization review organization, the
468.16 utilization review organization may take up to ten additional days to notify the enrollee,
468.17 attending health care professional, and claims administrator of its determination. If the
468.18 utilization review organization takes any additional days beyond the initial 15-day period
468.19 to make its determination, it must inform the enrollee, attending health care professional,
468.20 and claims administrator, in advance, of the extension and the reasons for the extension.

468.21 ~~(b)~~ (c) The documentation required by the utilization review organization may
468.22 include copies of part or all of the medical record and a written statement from the
468.23 attending health care professional.

468.24 ~~(e)~~ (d) Prior to upholding the initial determination not to certify for clinical reasons,
468.25 the utilization review organization shall conduct a review of the documentation by a
468.26 physician who did not make the initial determination not to certify.

468.27 ~~(d)~~ (e) The process established by a utilization review organization may include
468.28 defining a period within which an appeal must be filed to be considered. The time period
468.29 must be communicated to the enrollee and attending health care professional when the
468.30 initial determination is made.

468.31 ~~(e)~~ (f) An attending health care professional or enrollee who has been unsuccessful
468.32 in an attempt to reverse a determination not to certify shall, consistent with section
468.33 72A.285, be provided the following:

468.34 (1) a complete summary of the review findings;

468.35 (2) qualifications of the reviewers, including any license, certification, or specialty
468.36 designation; and

469.1 (3) the relationship between the enrollee's diagnosis and the review criteria used as
469.2 the basis for the decision, including the specific rationale for the reviewer's decision.

469.3 ~~(f)~~ (g) In cases of appeal to reverse a determination not to certify for clinical reasons,
469.4 the utilization review organization must ensure that a physician of the utilization review
469.5 organization's choice in the same or a similar specialty as typically manages the medical
469.6 condition, procedure, or treatment under discussion is reasonably available to review
469.7 the case.

469.8 ~~(g)~~ (h) If the initial determination is not reversed on appeal, the utilization review
469.9 organization must include in its notification the right to submit the appeal to the external
469.10 review process described in section 62Q.73 and the procedure for initiating the external
469.11 process.

469.12 Sec. 18. Minnesota Statutes 2014, section 62M.07, is amended to read:

469.13 **62M.07 PRIOR AUTHORIZATION OF SERVICES.**

469.14 (a) Utilization review organizations conducting prior authorization of services must
469.15 have written standards that meet at a minimum the following requirements:

469.16 (1) written procedures and criteria used to determine whether care is appropriate,
469.17 reasonable, or medically necessary;

469.18 (2) a system for providing prompt notification of its determinations to enrollees
469.19 and providers and for notifying the provider, enrollee, or enrollee's designee of appeal
469.20 procedures under clause (4);

469.21 (3) compliance with section 62M.05, subdivisions 3a and 3b, regarding time frames
469.22 for approving and disapproving prior authorization requests;

469.23 (4) written procedures for appeals of denials of prior authorization which specify the
469.24 responsibilities of the enrollee and provider, and which meet the requirements of sections
469.25 62M.06 and 72A.285, regarding release of summary review findings; and

469.26 (5) procedures to ensure confidentiality of patient-specific information, consistent
469.27 with applicable law.

469.28 (b) No utilization review organization, health plan company, or claims administrator
469.29 may conduct or require prior authorization of emergency confinement or emergency
469.30 treatment. The enrollee or the enrollee's authorized representative may be required to
469.31 notify the health plan company, claims administrator, or utilization review organization
469.32 as soon after the beginning of the emergency confinement or emergency treatment as
469.33 reasonably possible.

469.34 (c) If prior authorization for a health care service is required, the utilization review
469.35 organization, health plan company, or claim administrator must allow providers to submit

470.1 requests for prior authorization of the health care services without unreasonable delay
470.2 by telephone, facsimile, or voice mail or through an electronic mechanism 24 hours a
470.3 day, seven days a week. This paragraph does not apply to dental service covered under
470.4 MinnesotaCare, general assistance medical care, or medical assistance.

470.5 (d) Any authorization for a prescription drug must remain valid for the duration of
470.6 an enrollee's contract term, or for the benefits offered under section 256B.69 or chapter
470.7 256L, for the duration of the enrollee's enrollment or one year, whichever is shorter,
470.8 provided: the drug continues to be prescribed for a patient with a condition that requires
470.9 ongoing medication therapy; the drug has not otherwise been deemed unsafe by the Food
470.10 and Drug Administration; the drug has not been withdrawn by the manufacturer or the
470.11 Food and Drug Administration; there is no evidence of the enrollee's abuse or misuse
470.12 of the prescription drug; or no independent source of research, clinical guidelines, or
470.13 evidence-based standards has issued drug-specific warnings or recommended changes
470.14 in drug usage. This paragraph does not apply to individuals assigned to the restricted
470.15 recipient program under Minnesota Rules, parts 9505.2160 to 9505.2245.

470.16 (e) No utilization review organization, health plan company, or claims administrator
470.17 may impose step therapy requirements for the following drug classes:

470.18 (1) immunosuppressants;

470.19 (2) antidepressants;

470.20 (3) antipsychotics;

470.21 (4) anticonvulsants;

470.22 (5) antiretrovirals; or

470.23 (6) antineoplastics.

470.24 (f) No utilization review organization, health plan company, or claims administrator
470.25 may impose step therapy requirements for enrollees currently taking a prescription drug
470.26 for which the patient satisfied a previous step therapy requirement, as substantiated from
470.27 available claims data or provider documentation. This provision does not apply to a
470.28 patient who has initiated treatment for a condition with samples provided by a prescriber
470.29 and provided that any step therapy requirements subsequently applied are consistent
470.30 with evidence-based prescribing practices.

470.31 Sec. 19. Minnesota Statutes 2014, section 62M.09, subdivision 3, is amended to read:

470.32 Subd. 3. **Physician reviewer involvement.** (a) A physician must review all cases
470.33 in which the utilization review organization has concluded that a determination not to
470.34 certify for clinical reasons is appropriate.

471.1 (b) The physician conducting the review must be licensed in this state. This
471.2 ~~paragraph does not apply to reviews conducted in connection with policies issued by a~~
471.3 ~~health plan company that is assessed less than three percent of the total amount assessed~~
471.4 ~~by the Minnesota Comprehensive Health Association.~~

471.5 (c) The physician should be reasonably available by telephone to discuss the
471.6 determination with the attending health care professional.

471.7 (d) This subdivision does not apply to outpatient mental health or substance abuse
471.8 services governed by subdivision 3a.

471.9 Sec. 20. Minnesota Statutes 2014, section 62M.11, is amended to read:

471.10 **62M.11 COMPLAINTS TO COMMERCE OR HEALTH.**

471.11 Notwithstanding the provisions of sections 62M.01 to 62M.16, an enrollee or
471.12 provider may file a complaint regarding compliance with the requirements of this chapter
471.13 or regarding a determination not to certify directly to the commissioner responsible for
471.14 regulating the utilization review organization.

471.15 Sec. 21. Minnesota Statutes 2014, section 62Q.81, subdivision 4, is amended to read:

471.16 Subd. 4. **Essential health benefits; definition.** For purposes of this section,
471.17 "essential health benefits" has the meaning given under section 1302(b) of the Affordable
471.18 Care Act and includes:

471.19 (1) ambulatory patient services;

471.20 (2) emergency services;

471.21 (3) hospitalization;

471.22 (4) laboratory services;

471.23 (5) maternity and newborn care;

471.24 (6) mental health and substance use disorder services, including behavioral health
471.25 treatment;

471.26 (7) pediatric services, including oral and vision care;

471.27 (8) prescription drugs;

471.28 (9) preventive and wellness services and chronic disease management;

471.29 (10) rehabilitative and habilitative services and devices, including services for
471.30 autism spectrum disorder treatment specified pursuant to section 62A.3094; and

471.31 (11) additional essential health benefits included in the EHB-benchmark plan, as
471.32 defined under the Affordable Care Act.

472.1 **EFFECTIVE DATE.** This section is effective upon a formal determination from
472.2 the Centers of Medicare and Medicaid Services that the inclusion of the autism spectrum
472.3 disorder treatment services under Minnesota Statutes, section 62Q.81, subdivision 4,
472.4 clause (10), as a rehabilitative and habilitative service is not a new state mandate and the
472.5 state is not required to cover the cost for the services described under Minnesota Statutes,
472.6 section 62A.3094. Upon a formal determination, this section is effective for health plans
472.7 issued or renewed on or after January 1 of the next coverage year.

472.8 Sec. 22. **[62Q.83] PRESCRIPTION DRUG BENEFIT TRANSPARENCY AND**
472.9 **MANAGEMENT.**

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

472.12 (b) "Drug" has the meaning given in section 151.01, subdivision 5.

472.13 (c) "Enrollee contract year" means the 12-month term during which benefits
472.14 associated with health plan company products are in effect. For managed care plans
472.15 and county-based purchasing plans under section 256B.69 and chapter 256L, it means a
472.16 calendar year beginning January through December.

472.17 (d) "Formulary" means a list of prescription drugs that have been developed by
472.18 clinical and pharmacy experts and represents the health plan company's medically
472.19 appropriate and cost-effective prescription drugs approved for use.

472.20 (e) "Health plan company" has the meaning given in section 62Q.01, subdivision 4,
472.21 and includes an entity that performs pharmacy benefits management for the health plan
472.22 company. For purposes of this definition, "pharmacy benefits management" means the
472.23 administration or management of prescription drug benefits provided by the health plan
472.24 company for the benefit of its enrollees and may include, but is not limited to, procurement
472.25 of prescription drugs, clinical formulary development and management services, claims
472.26 processing, and rebate contracting and administration.

472.27 (f) "Prescription" has the meaning given in section 151.01, subdivision 16a.

472.28 Subd. 2. **Prescription drug benefit disclosure.** (a) A health plan company that
472.29 provides prescription drug benefit coverage and uses a formulary must make its formulary
472.30 and related benefit information available by electronic means and, upon request, in
472.31 writing, at least 30 days prior to annual renewal dates.

472.32 (b) Formularies must be organized and disclosed consistent with the most recent
472.33 version of the United States Pharmacopeia's (USP) Model Guidelines.

472.34 (c) For each item or category of items on the formulary, the specific enrollee benefit
472.35 terms must be identified, including enrollee cost-sharing and expected out-of-pocket costs.

473.1 Subd. 3. **Formulary changes.** (a) Once a formulary has been established, a health
473.2 plan company may, at any time during the enrollee's contract year:

473.3 (1) expand its formulary by adding drugs to the formulary;

473.4 (2) reduce co-payments or coinsurance; or

473.5 (3) move a drug to a benefit category that reduces an enrollee's cost.

473.6 (b) A health plan company may remove a brand name drug from its formulary
473.7 or place a brand name drug in a benefit category that increases an enrollee's cost only
473.8 upon the addition to the formulary of a generic or multisource brand name drug rated as
473.9 therapeutically equivalent according to the FDA Orange Book or a biologic drug rated as
473.10 interchangeable according to the FDA Purple Book, at a lower cost to the enrollee, and
473.11 upon at least a 60-day notice to prescribers, pharmacists, and affected enrollees.

473.12 (c) A health plan company may change utilization review requirements or move
473.13 drugs to a benefit category that increases an enrollee's cost during the enrollee's contract
473.14 year upon at least a 60-day notice to prescribers, pharmacists, and affected enrollees,
473.15 provided that these changes do not apply to enrollees who are currently taking the drugs
473.16 affected by these changes for the duration of the enrollee's contract year.

473.17 (d) A health plan company may remove any drugs from its formulary that have
473.18 been deemed unsafe by the Food and Drug Administration, that have been withdrawn
473.19 by either the Food and Drug Administration or the product manufacturer, or where an
473.20 independent source of research, clinical guidelines, or evidence-based standards has issued
473.21 drug-specific warnings or recommended changes in drug usage.

473.22 Subd. 4. **Transition process.** (a) A health plan company must establish and
473.23 maintain a transition process to prevent gaps in prescription drug coverage for both
473.24 new and continuing enrollees with ongoing prescription drug needs who are affected
473.25 by changes in formulary drug availability.

473.26 (b) The transition process must provide coverage for at least 60 days.

473.27 (c) Any enrollee cost-sharing applied must be based on the defined prescription drug
473.28 benefit terms and must be consistent with any cost-sharing that the health plan company
473.29 would charge for nonformulary drugs approved under a medication exceptions process.

473.30 (d) A health plan company must ensure that written notice is provided to each
473.31 affected enrollee and prescriber within three business days after adjudication of the
473.32 transition coverage.

473.33 Subd. 5. **Medication exceptions process.** (a) Each health plan company must
473.34 establish and maintain a medication exceptions process that allows enrollees, providers,
473.35 or an enrollee's authorized representative to request and obtain coverage approval in
473.36 the following situations:

474.1 (1) there is no acceptable clinical alternative listed on the formulary to treat the
474.2 enrollee's disease or medical condition;

474.3 (2) the prescription listed on the formulary has been ineffective in the treatment of
474.4 an enrollee's disease or medical condition or, based on clinical and scientific evidence and
474.5 the relevant physical or mental characteristics of the enrollee, is likely to be ineffective or
474.6 adversely affect the drug's effectiveness or the enrollee's medication compliance; or

474.7 (3) the number of doses that are available under a dose restriction has been
474.8 ineffective in the treatment of the enrollee's disease or medical condition or, based on
474.9 clinical and scientific evidence and the relevant physical or mental characteristics of
474.10 the enrollee, is likely to be ineffective or adversely affect the drug's effectiveness or the
474.11 enrollee's medication compliance.

474.12 (b) An approved medication exceptions request must remain valid for the duration of
474.13 an enrollee's contract term, provided the medication continues to be prescribed for the
474.14 same condition, and provided the medication has not otherwise been withdrawn by the
474.15 manufacturer or the Food and Drug Administration.

474.16 (c) The medication exceptions process must comply with the requirements of
474.17 chapter 62M.

474.18 **Sec. 23. [62V.041] GOVERNANCE OF THE SHARED ELIGIBILITY SYSTEM.**

474.19 **Subdivision 1. Definition; shared eligibility system.** "Shared eligibility system"
474.20 means the system that supports eligibility determinations using a modified adjusted gross
474.21 income methodology for medical assistance under section 256B.056, subdivision 1a,
474.22 paragraph (b), clause (1); MinnesotaCare under chapter 256L; and qualified health plan
474.23 enrollment under section 62V.05, subdivision 5, paragraph (c).

474.24 **Subd. 2. Executive steering committee.** The shared eligibility system shall be
474.25 governed and administered by a seven-member executive steering committee. The steering
474.26 committee shall consist of two members appointed by the commissioner of human services,
474.27 two members appointed by the board, two members appointed by the commissioner of
474.28 MN.IT, and one county representative appointed by the commissioner of human services.
474.29 The commissioner of human services shall designate one of the members appointed by the
474.30 commissioner of human services to serve as chair of the steering committee.

474.31 **Subd. 3. Duties.** (a) The steering committee shall establish an overall governance
474.32 structure for the shared eligibility system, and shall be responsible for the overall
474.33 governance of the system, including setting goals and priorities, allocating the system's
474.34 resources, and making major system decisions.

475.1 (b) The steering committee shall adopt bylaws, policies, and interagency agreements
475.2 necessary to administer the shared eligibility system.

475.3 Subd. 4. **Decision making.** The steering committee, to the extent feasible, shall
475.4 operate under a consensus model. The steering committee shall make decisions that give
475.5 particular attention to parts of the system with the largest enrollments and the greatest risks.

475.6 Subd. 5. **Administrative structure.** MN.IT services shall be responsible for the
475.7 design, build, maintenance, operation, and upgrade of the information technology for the
475.8 shared eligibility system. MN.IT services shall carry out its responsibilities under the
475.9 governance of the executive steering committee and this section.

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

475.11 Sec. 24. Minnesota Statutes 2014, section 62V.05, subdivision 2, is amended to read:

475.12 Subd. 2. **Operations funding.** (a) Prior to January 1, 2015, MNsure shall retain or
475.13 collect up to 1.5 percent of total premiums for individual and small group market health
475.14 plans and dental plans sold through MNsure to fund the cash reserves of MNsure, but
475.15 the amount collected shall not exceed a dollar amount equal to 25 percent of the funds
475.16 collected under section 62E.11, subdivision 6, for calendar year 2012.

475.17 (b) Beginning January 1, 2015, through December 31, 2015, MNsure shall retain
475.18 or collect up to 3.5 percent of total premiums for individual and small group market
475.19 health plans and dental plans sold through MNsure to fund the operations of MNsure, but
475.20 the amount collected shall not exceed a dollar amount equal to 50 percent of the funds
475.21 collected under section 62E.11, subdivision 6, for calendar year 2012.

475.22 (c) Beginning January 1, 2016, through December 31, 2017, MNsure shall retain or
475.23 collect up to 3.5 percent of total premiums for individual and small group market health
475.24 plans and dental plans sold through MNsure to fund the operations of MNsure, but the
475.25 amount collected may never exceed a dollar amount greater than 100 percent of the funds
475.26 collected under section 62E.11, subdivision 6, for calendar year 2012.

475.27 (d) Beginning January 1, 2018, MNsure shall retain or collect up to 1.5 percent of
475.28 total premiums for individual health plans and dental plans sold to Minnesota residents
475.29 through MNsure and outside of MNsure to fund the operations of MNsure. The amount
475.30 collected shall not exceed a dollar amount greater than 100 percent of the funds collected
475.31 under section 62E.11, subdivision 6, for calendar year 2012.

475.32 ~~(d)~~ (e) For fiscal years 2014 and 2015, the commissioner of management and
475.33 budget is authorized to provide cash flow assistance of up to \$20,000,000 from the
475.34 special revenue fund or the statutory general fund under section 16A.671, subdivision 3,

476.1 paragraph (a), to MNsure. Any funds provided under this paragraph shall be repaid,
476.2 with interest, by June 30, 2015.

476.3 (e) (f) Funding for the operations of MNsure shall cover any compensation provided
476.4 to navigators participating in the navigator program.

476.5 Sec. 25. Minnesota Statutes 2014, section 256.01, is amended by adding a subdivision
476.6 to read:

476.7 **Subd. 41. Plan and timetable for processing qualifying life events and changes**
476.8 **in circumstances.** The commissioner and the board of MNsure shall jointly develop
476.9 a plan and timetable for implementation to ensure qualifying life events and changes
476.10 in circumstances, reported by persons enrolled through the MNsure system in a public
476.11 health care program or a qualified health plan, are processed within 30 days of receiving a
476.12 report of a qualifying life event or change in circumstances. The plan and timetable for
476.13 implementation must be developed no later than January 15, 2017.

476.14 Sec. 26. Minnesota Statutes 2014, section 256B.04, subdivision 14, is amended to read:

476.15 Subd. 14. **Competitive bidding.** (a) When determined to be effective, economical,
476.16 and feasible, the commissioner may utilize volume purchase through competitive bidding
476.17 and negotiation under the provisions of chapter 16C, to provide items under the medical
476.18 assistance program including but not limited to the following:

476.19 (1) eyeglasses;

476.20 (2) oxygen. The commissioner shall provide for oxygen needed in an emergency
476.21 situation on a short-term basis, until the vendor can obtain the necessary supply from
476.22 the contract dealer;

476.23 (3) hearing aids and supplies; and

476.24 (4) durable medical equipment, including but not limited to:

476.25 (i) hospital beds;

476.26 (ii) commodes;

476.27 (iii) glide-about chairs;

476.28 (iv) patient lift apparatus;

476.29 (v) wheelchairs and accessories;

476.30 (vi) oxygen administration equipment;

476.31 (vii) respiratory therapy equipment;

476.32 (viii) electronic diagnostic, therapeutic and life-support systems; and

476.33 (ix) allergen-reducing products as described in section 256B.0625, subdivision 65,
476.34 paragraph (b), clause (3);

477.1 (5) nonemergency medical transportation level of need determinations, disbursement
477.2 of public transportation passes and tokens, and volunteer and recipient mileage and
477.3 parking reimbursements; and

477.4 (6) drugs.

477.5 (b) Rate changes and recipient cost-sharing under this chapter and chapters 256D and
477.6 256L do not affect contract payments under this subdivision unless specifically identified.

477.7 (c) The commissioner may not utilize volume purchase through competitive bidding
477.8 and negotiation for special transportation services under the provisions of chapter 16C.

477.9 Sec. 27. Minnesota Statutes 2014, section 256B.057, is amended by adding a
477.10 subdivision to read:

477.11 Subd. 13. **Presumptive eligibility determinations made by federally qualified**
477.12 **health centers.** The commissioner shall establish a process to qualify federally qualified
477.13 health centers, as defined in section 145.9269, subdivision 1, that are participating
477.14 providers under the medical assistance program to determine presumptive eligibility for
477.15 medical assistance for an applicant who is a pregnant woman or child under the age of
477.16 two, and has a basis of eligibility using the modified adjusted gross income methodology
477.17 as defined in section 256B.056, subdivision 1a, paragraph (b), clause (1).

477.18 **EFFECTIVE DATE.** This section is effective January 1, 2017.

477.19 Sec. 28. Minnesota Statutes 2014, section 256B.059, subdivision 1, is amended to read:

477.20 Subdivision 1. **Definitions.** (a) For purposes of this section and sections 256B.058
477.21 and 256B.0595, the terms defined in this subdivision have the meanings given them.

477.22 (b) "Community spouse" means the spouse of an institutionalized spouse.

477.23 ~~(c) "Spousal share" means one-half of the total value of all assets, to the extent that~~
477.24 ~~either the institutionalized spouse or the community spouse had an ownership interest at~~
477.25 ~~the time of the first continuous period of institutionalization.~~

477.26 ~~(d) (c)~~ "Assets otherwise available to the community spouse" means assets
477.27 individually or jointly owned by the community spouse, other than assets excluded by
477.28 subdivision 5, paragraph (c).

477.29 ~~(e) (d)~~ "Community spouse asset allowance" is the value of assets that can be
477.30 transferred under subdivision 3.

477.31 ~~(f) (e)~~ "Institutionalized spouse" means a person who is:

477.32 (1) in a hospital, nursing facility, or intermediate care facility for persons with
477.33 developmental disabilities, or receiving home and community-based services under

478.1 section 256B.0915, and is expected to remain in the facility or institution or receive the
478.2 home and community-based services for at least 30 consecutive days; and

478.3 (2) married to a person who is not in a hospital, nursing facility, or intermediate
478.4 care facility for persons with developmental disabilities, and is not receiving home and
478.5 community-based services under section 256B.0915, 256B.092, or 256B.49.

478.6 ~~(g)~~ (f) "For the sole benefit of" means no other individual or entity can benefit in any
478.7 way from the assets or income at the time of a transfer or at any time in the future.

478.8 ~~(h)~~ (g) "Continuous period of institutionalization" means a 30-consecutive-day
478.9 period of time in which a person is expected to stay in a medical or long-term care facility,
478.10 or receive home and community-based services that would qualify for coverage under
478.11 the elderly waiver (EW) or alternative care (AC) programs. For a stay in a facility, the
478.12 30-consecutive-day period begins on the date of entry into a medical or long-term care
478.13 facility. For receipt of home and community-based services, the 30-consecutive-day
478.14 period begins on the date that the following conditions are met:

478.15 (1) the person is receiving services that meet the nursing facility level of care
478.16 determined by a long-term care consultation;

478.17 (2) the person has received the long-term care consultation within the past 60 days;

478.18 (3) the services are paid by the EW program under section 256B.0915 or the AC
478.19 program under section 256B.0913 or would qualify for payment under the EW or AC
478.20 programs if the person were otherwise eligible for either program, and but for the receipt
478.21 of such services the person would have resided in a nursing facility; and

478.22 (4) the services are provided by a licensed provider qualified to provide home and
478.23 community-based services.

478.24 **EFFECTIVE DATE.** This section is effective June 1, 2016.

478.25 Sec. 29. Minnesota Statutes 2014, section 256B.059, subdivision 2, is amended to read:

478.26 Subd. 2. **Assessment of spousal-share marital assets.** ~~At the beginning of the~~
478.27 ~~first continuous period of institutionalization of a person beginning on or after October~~
478.28 ~~1, 1989, at the request of either the institutionalized spouse or the community spouse, or~~
478.29 ~~Upon application for medical assistance benefits for an institutionalized spouse, the total~~
478.30 ~~value of assets in which either the institutionalized spouse or the community spouse had~~
478.31 ~~have an interest at the time of the first period of institutionalization of 30 days or more~~
478.32 ~~shall be assessed and documented and the spousal share shall be assessed and documented~~
478.33 ~~the community spouse asset allowance calculated as required in subdivision 3.~~

478.34 **EFFECTIVE DATE.** This section is effective June 1, 2016.

479.1 Sec. 30. Minnesota Statutes 2014, section 256B.059, subdivision 3, is amended to read:

479.2 Subd. 3. **Community spouse asset allowance.** An institutionalized spouse may
479.3 transfer assets to the community spouse for the sole benefit of the community spouse.
479.4 Except for increased amounts allowable under subdivision 4, the maximum amount of
479.5 assets allowed to be transferred is the amount which, when added to the assets otherwise
479.6 available to the community spouse, is as follows the greater of:

479.7 ~~(1) prior to July 1, 1994, the greater of:~~

479.8 ~~(i) \$14,148;~~

479.9 ~~(ii) the lesser of the spousal share or \$70,740; or~~

479.10 ~~(iii) the amount required by court order to be paid to the community spouse; and~~

479.11 ~~(2) for persons whose date of initial determination of eligibility for medical
479.12 assistance following their first continuous period of institutionalization occurs on or after
479.13 July 1, 1994, the greater of:~~

479.14 ~~(i) \$20,000;~~

479.15 ~~(ii) the lesser of the spousal share or \$70,740; or~~

479.16 ~~(iii) the amount required by court order to be paid to the community spouse.~~

479.17 (1) \$119,220 subject to an annual adjustment on January 1, 2017, and every January
479.18 1 thereafter, equal to the percentage increase in the Consumer Price Index for All Urban
479.19 Consumers (all items; United States city average) between the two previous Septembers; or
479.20 (2) the amount required by court order to be paid to the community spouse.

479.21 If the assets available to the community spouse are already at the limit permissible
479.22 under this section, or the higher limit attributable to increases under subdivision 4, no assets
479.23 may be transferred from the institutionalized spouse to the community spouse. The transfer
479.24 must be made as soon as practicable after the date the institutionalized spouse is determined
479.25 eligible for medical assistance, or within the amount of time needed for any court order
479.26 required for the transfer. ~~On January 1, 1994, and every January 1 thereafter, the limits in
479.27 this subdivision shall be adjusted by the same percentage change in the Consumer Price
479.28 Index for All Urban Consumers (all items; United States city average) between the two
479.29 previous Septembers. These adjustments shall also be applied to the limits in subdivision 5.~~

479.30 **EFFECTIVE DATE.** This section is effective June 1, 2016.

479.31 Sec. 31. Minnesota Statutes 2015 Supplement, section 256B.059, subdivision 5,
479.32 is amended to read:

479.33 Subd. 5. **Asset availability.** (a) At the time of initial determination of eligibility for
479.34 medical assistance benefits ~~following the first continuous period of institutionalization
479.35 on or after October 1, 1989~~ for an institutionalized spouse, assets considered available

480.1 to the institutionalized spouse shall be the total value of all assets in which either spouse
480.2 has an ownership interest, reduced by the following amount for the community spouse:
480.3 available to the community spouse under subdivision 3.

480.4 ~~(1) prior to July 1, 1994, the greater of:~~

480.5 ~~(i) \$14,148;~~

480.6 ~~(ii) the lesser of the spousal share or \$70,740; or~~

480.7 ~~(iii) the amount required by court order to be paid to the community spouse;~~

480.8 ~~(2) for persons whose date of initial determination of eligibility for medical~~
480.9 ~~assistance following their first continuous period of institutionalization occurs on or after~~
480.10 ~~July 1, 1994, the greater of:~~

480.11 ~~(i) \$20,000;~~

480.12 ~~(ii) the lesser of the spousal share or \$70,740; or~~

480.13 ~~(iii) the amount required by court order to be paid to the community spouse.~~

480.14 The value of assets transferred for the sole benefit of the community spouse under section
480.15 256B.0595, subdivision 4, in combination with other assets available to the community
480.16 spouse under this section, cannot exceed the limit for the community spouse asset
480.17 allowance determined under subdivision 3 or 4. Assets that exceed this allowance shall
480.18 be considered available to the institutionalized spouse. If the community spouse asset
480.19 allowance has been increased under subdivision 4, then the assets considered available to
480.20 the institutionalized spouse under this subdivision shall be further reduced by the value of
480.21 additional amounts allowed under subdivision 4.

480.22 (b) An institutionalized spouse may be found eligible for medical assistance even
480.23 though assets in excess of the allowable amount are found to be available under paragraph
480.24 (a) if the assets are owned jointly or individually by the community spouse, and the
480.25 institutionalized spouse cannot use those assets to pay for the cost of care without the
480.26 consent of the community spouse, and if: (i) the institutionalized spouse assigns to the
480.27 commissioner the right to support from the community spouse under section 256B.14,
480.28 subdivision 3; (ii) the institutionalized spouse lacks the ability to execute an assignment
480.29 due to a physical or mental impairment; or (iii) the denial of eligibility would cause an
480.30 imminent threat to the institutionalized spouse's health and well-being.

480.31 (c) After the month in which the institutionalized spouse is determined eligible for
480.32 medical assistance, and during the continuous period of institutionalization enrollment, no
480.33 assets of the community spouse are considered available to the institutionalized spouse,
480.34 unless the institutionalized spouse has been found eligible under paragraph (b).

480.35 (d) Assets determined to be available to the institutionalized spouse under this
480.36 section must be used for the health care or personal needs of the institutionalized spouse.

481.1 (e) For purposes of this section, assets do not include assets excluded under the
481.2 Supplemental Security Income program.

481.3 **EFFECTIVE DATE.** This section is effective June 1, 2016.

481.4 Sec. 32. Minnesota Statutes 2014, section 256B.059, is amended by adding a
481.5 subdivision to read:

481.6 **Subd. 6. Temporary application.** (a) During the period in which rules against
481.7 spousal impoverishment are temporarily applied according to section 2404 of the Patient
481.8 Protection Affordable Care Act, Public Law 111-148, as amended by the Health Care and
481.9 Education Reconciliation Act of 2010, Public Law 111-152, this section applies to an
481.10 institutionalized spouse:

481.11 (1) applying for home and community-based waivers under sections 256B.092,
481.12 256B.093, and 256B.49 on or after June 1, 2016;

481.13 (2) enrolled in home and community-based waivers under sections 256B.092,
481.14 256B.093, and 256B.49 before June 1, 2016; or

481.15 (3) applying for services under section 256B.85 upon the effective date of that section.

481.16 (b) During the applicable period of paragraph (a), the definition of "institutionalized
481.17 spouse" in subdivision 1, paragraph (f), also includes an institutionalized spouse
481.18 referenced in paragraph (a).

481.19 **EFFECTIVE DATE.** (a) Minnesota Statutes, section 256B.059, subdivision 6,
481.20 paragraphs (a), clauses (1) and (3), and (b) are effective June 1, 2016. Minnesota Statutes,
481.21 section 256B.059, subdivision 6, paragraph (a), clause (2), is effective March 1, 2017.

481.22 (b) Minnesota Statutes, section 256B.059, subdivision 6, paragraph (a), clauses (1)
481.23 and (2), expire upon notification to the commissioner of human services that the Center for
481.24 Medicare and Medicaid Services approved the continuation of the deeming rules in effect
481.25 on May 31, 2016, for the treatment of the assets of a community spouse. The commissioner
481.26 of human services shall notify the revisor of statutes when notice is received.

481.27 Sec. 33. Minnesota Statutes 2014, section 256B.06, subdivision 4, is amended to read:

481.28 **Subd. 4. Citizenship requirements.** (a) Eligibility for medical assistance is limited
481.29 to citizens of the United States, qualified noncitizens as defined in this subdivision, and
481.30 other persons residing lawfully in the United States. Citizens or nationals of the United
481.31 States must cooperate in obtaining satisfactory documentary evidence of citizenship or
481.32 nationality according to the requirements of the federal Deficit Reduction Act of 2005,
481.33 Public Law 109-171.

482.1 (b) "Qualified noncitizen" means a person who meets one of the following
482.2 immigration criteria:

482.3 (1) admitted for lawful permanent residence according to United States Code, title 8;

482.4 (2) admitted to the United States as a refugee according to United States Code,
482.5 title 8, section 1157;

482.6 (3) granted asylum according to United States Code, title 8, section 1158;

482.7 (4) granted withholding of deportation according to United States Code, title 8,
482.8 section 1253(h);

482.9 (5) paroled for a period of at least one year according to United States Code, title 8,
482.10 section 1182(d)(5);

482.11 (6) granted conditional entrant status according to United States Code, title 8,
482.12 section 1153(a)(7);

482.13 (7) determined to be a battered noncitizen by the United States Attorney General
482.14 according to the Illegal Immigration Reform and Immigrant Responsibility Act of 1996,
482.15 title V of the Omnibus Consolidated Appropriations Bill, Public Law 104-200;

482.16 (8) is a child of a noncitizen determined to be a battered noncitizen by the United
482.17 States Attorney General according to the Illegal Immigration Reform and Immigrant
482.18 Responsibility Act of 1996, title V, of the Omnibus Consolidated Appropriations Bill,
482.19 Public Law 104-200; or

482.20 (9) determined to be a Cuban or Haitian entrant as defined in section 501(e) of Public
482.21 Law 96-422, the Refugee Education Assistance Act of 1980.

482.22 (c) All qualified noncitizens who were residing in the United States before August
482.23 22, 1996, who otherwise meet the eligibility requirements of this chapter, are eligible for
482.24 medical assistance with federal financial participation.

482.25 (d) Beginning December 1, 1996, qualified noncitizens who entered the United
482.26 States on or after August 22, 1996, and who otherwise meet the eligibility requirements
482.27 of this chapter are eligible for medical assistance with federal participation for five years
482.28 if they meet one of the following criteria:

482.29 (1) refugees admitted to the United States according to United States Code, title 8,
482.30 section 1157;

482.31 (2) persons granted asylum according to United States Code, title 8, section 1158;

482.32 (3) persons granted withholding of deportation according to United States Code,
482.33 title 8, section 1253(h);

482.34 (4) veterans of the United States armed forces with an honorable discharge for
482.35 a reason other than noncitizen status, their spouses and unmarried minor dependent
482.36 children; or

483.1 (5) persons on active duty in the United States armed forces, other than for training,
483.2 their spouses and unmarried minor dependent children.

483.3 Beginning July 1, 2010, children and pregnant women who are noncitizens
483.4 described in paragraph (b) or who are lawfully present in the United States as defined
483.5 in Code of Federal Regulations, title 8, section 103.12, and who otherwise meet
483.6 eligibility requirements of this chapter, are eligible for medical assistance with federal
483.7 financial participation as provided by the federal Children's Health Insurance Program
483.8 Reauthorization Act of 2009, Public Law 111-3.

483.9 (e) Nonimmigrants who otherwise meet the eligibility requirements of this chapter
483.10 are eligible for the benefits as provided in paragraphs (f) to (h). For purposes of this
483.11 subdivision, a "nonimmigrant" is a person in one of the classes listed in United States
483.12 Code, title 8, section 1101(a)(15).

483.13 (f) Payment shall also be made for care and services that are furnished to noncitizens,
483.14 regardless of immigration status, who otherwise meet the eligibility requirements of
483.15 this chapter, if such care and services are necessary for the treatment of an emergency
483.16 medical condition.

483.17 (g) For purposes of this subdivision, the term "emergency medical condition" means
483.18 a medical condition that meets the requirements of United States Code, title 42, section
483.19 1396b(v).

483.20 (h)(1) Notwithstanding paragraph (g), services that are necessary for the treatment
483.21 of an emergency medical condition are limited to the following:

483.22 (i) services delivered in an emergency room or by an ambulance service licensed
483.23 under chapter 144E that are directly related to the treatment of an emergency medical
483.24 condition;

483.25 (ii) services delivered in an inpatient hospital setting following admission from an
483.26 emergency room or clinic for an acute emergency condition; and

483.27 (iii) follow-up services that are directly related to the original service provided
483.28 to treat the emergency medical condition and are covered by the global payment made
483.29 to the provider.

483.30 (2) Services for the treatment of emergency medical conditions do not include:

483.31 (i) services delivered in an emergency room or inpatient setting to treat a
483.32 nonemergency condition;

483.33 (ii) organ transplants, stem cell transplants, and related care;

483.34 (iii) services for routine prenatal care;

483.35 (iv) continuing care, including long-term care, nursing facility services, home health
483.36 care, adult day care, day training, or supportive living services;

- 484.1 (v) elective surgery;
- 484.2 (vi) outpatient prescription drugs, unless the drugs are administered or dispensed as
484.3 part of an emergency room visit;
- 484.4 (vii) preventative health care and family planning services;
- 484.5 (viii) rehabilitation services;
- 484.6 (ix) physical, occupational, or speech therapy;
- 484.7 (x) transportation services;
- 484.8 (xi) case management;
- 484.9 (xii) prosthetics, orthotics, durable medical equipment, or medical supplies;
- 484.10 (xiii) dental services;
- 484.11 (xiv) hospice care;
- 484.12 (xv) audiology services and hearing aids;
- 484.13 (xvi) podiatry services;
- 484.14 (xvii) chiropractic services;
- 484.15 (xviii) immunizations;
- 484.16 (xix) vision services and eyeglasses;
- 484.17 (xx) waiver services;
- 484.18 (xxi) individualized education programs; or
- 484.19 (xxii) chemical dependency treatment.
- 484.20 (i) Pregnant noncitizens who are ineligible for federally funded medical assistance
484.21 because of immigration status, are not covered by a group health plan or health insurance
484.22 coverage according to Code of Federal Regulations, title 42, section 457.310, and who
484.23 otherwise meet the eligibility requirements of this chapter, are eligible for medical
484.24 assistance through the period of pregnancy, including labor and delivery, and 60 days
484.25 postpartum, to the extent federal funds are available under title XXI of the Social Security
484.26 Act, and the state children's health insurance program.
- 484.27 (j) Beginning October 1, 2003, persons who are receiving care and rehabilitation
484.28 services from a nonprofit center established to serve victims of torture and are otherwise
484.29 ineligible for medical assistance under this chapter are eligible for medical assistance
484.30 without federal financial participation. These individuals are eligible only for the period
484.31 during which they are receiving services from the center. Individuals eligible under this
484.32 paragraph shall not be required to participate in prepaid medical assistance. The nonprofit
484.33 center referenced under this paragraph may establish itself as a provider of mental health
484.34 targeted case management services through a county contract under section 256.0112,
484.35 subdivision 6. If the nonprofit center is unable to secure a contract with a lead county in its
484.36 service area, then, notwithstanding the requirements of section 256B.0625, subdivision

485.1 20, the commissioner may negotiate a contract with the nonprofit center for provision of
485.2 mental health targeted case management services. When serving clients who are not the
485.3 financial responsibility of their contracted lead county, the nonprofit center must gain the
485.4 concurrence of the county of financial responsibility prior to providing mental health
485.5 targeted case management services for those clients.

485.6 (k) Notwithstanding paragraph (h), clause (2), the following services are covered as
485.7 emergency medical conditions under paragraph (f) except where coverage is prohibited
485.8 under federal law:

485.9 (1) dialysis services provided in a hospital or freestanding dialysis facility; ~~and~~

485.10 (2) surgery and the administration of chemotherapy, radiation, and related services
485.11 necessary to treat cancer if the recipient has a cancer diagnosis that is not in remission and
485.12 requires surgery, chemotherapy, or radiation treatment; and

485.13 (3) kidney transplant if the person has been diagnosed with end stage renal disease,
485.14 is currently receiving dialysis services, and is a potential candidate for a kidney transplant.

485.15 (l) Effective July 1, 2013, recipients of emergency medical assistance under this
485.16 subdivision are eligible for coverage of the elderly waiver services provided under section
485.17 256B.0915, and coverage of rehabilitative services provided in a nursing facility. The
485.18 age limit for elderly waiver services does not apply. In order to qualify for coverage, a
485.19 recipient of emergency medical assistance is subject to the assessment and reassessment
485.20 requirements of section 256B.0911. Initial and continued enrollment under this paragraph
485.21 is subject to the limits of available funding.

485.22 Sec. 34. Minnesota Statutes 2014, section 256B.0625, is amended by adding a
485.23 subdivision to read:

485.24 Subd. 9c. **Oral health assessments.** Medical assistance covers oral health
485.25 assessments that meet the requirements of this subdivision. An oral health assessment must
485.26 use the risk factors established by the commissioner of human services and be conducted
485.27 by a licensed dental provider in collaborative practice under section 150A.10, subdivision
485.28 1a; 150A.105; or 150A.106, to identify possible signs of oral or systemic disease,
485.29 malformation, or injury and the need for referral for diagnosis and treatment. Oral health
485.30 assessments are limited to once per patient per year and must be conducted in a community
485.31 setting. The provider performing the assessment must document that a formal arrangement
485.32 with a licensed dentist for patient referral and follow-up is in place and is being utilized.
485.33 The patient referral and follow-up arrangement must allow patients receiving an assessment
485.34 under this subdivision to receive follow-up services in a timely manner and establish an
485.35 ongoing relationship with a dental provider that is available to serve as the patient's dental

486.1 home. If the commissioner determines from an analysis of claims or other information
486.2 that the referral and follow-up arrangement is not reasonably effective in ensuring that
486.3 patients receive follow-up services, the commissioner may disqualify the treating provider
486.4 or the pay-to provider from receiving payment for assessments under this subdivision.

486.5 Sec. 35. Minnesota Statutes 2015 Supplement, section 256B.0625, subdivision 17a,
486.6 is amended to read:

486.7 Subd. 17a. **Payment for ambulance services.** (a) Medical assistance covers
486.8 ambulance services. Providers shall bill ambulance services according to Medicare
486.9 criteria. Nonemergency ambulance services shall not be paid as emergencies. Effective
486.10 for services rendered on or after July 1, 2001, medical assistance payments for ambulance
486.11 services shall be paid at the Medicare reimbursement rate or at the medical assistance
486.12 payment rate in effect on July 1, 2000, whichever is greater.

486.13 (b) Effective for services provided on or after July 1, 2016, medical assistance
486.14 payment rates for ambulance services identified in this paragraph are increased by five
486.15 percent. Capitation payments made to managed care plans and county-based purchasing
486.16 plans for ambulance services provided on or after January 1, 2017, shall be increased to
486.17 reflect this rate increase, and shall require the plans to pass on the full amount of the increase
486.18 in the form of higher reimbursement rates to the ambulance service providers identified
486.19 in this paragraph. The increased rate described in this paragraph applies to ambulance
486.20 service providers whose base of operations as defined in section 144E.10 is located:

486.21 (1) outside the metropolitan counties listed in section 473.121, subdivision 4, and
486.22 outside the cities of Duluth, Mankato, Moorhead, St. Cloud, and Rochester; or

486.23 (2) within a municipality with a population of less than 1,000.

486.24 Sec. 36. Minnesota Statutes 2014, section 256B.0625, subdivision 30, is amended to
486.25 read:

486.26 Subd. 30. **Other clinic services.** (a) Medical assistance covers rural health clinic
486.27 services, federally qualified health center services, nonprofit community health clinic
486.28 services, and public health clinic services. Rural health clinic services and federally
486.29 qualified health center services mean services defined in United States Code, title 42,
486.30 section 1396d(a)(2)(B) and (C). Payment for rural health clinic and federally qualified
486.31 health center services shall be made according to applicable federal law and regulation.

486.32 (b) A federally qualified health center that is beginning initial operation shall submit
486.33 an estimate of budgeted costs and visits for the initial reporting period in the form and
486.34 detail required by the commissioner. A federally qualified health center that is already in

487.1 operation shall submit an initial report using actual costs and visits for the initial reporting
487.2 period. Within 90 days of the end of its reporting period, a federally qualified health
487.3 center shall submit, in the form and detail required by the commissioner, a report of
487.4 its operations, including allowable costs actually incurred for the period and the actual
487.5 number of visits for services furnished during the period, and other information required
487.6 by the commissioner. Federally qualified health centers that file Medicare cost reports
487.7 shall provide the commissioner with a copy of the most recent Medicare cost report filed
487.8 with the Medicare program intermediary for the reporting year which support the costs
487.9 claimed on their cost report to the state.

487.10 (c) In order to continue cost-based payment under the medical assistance program
487.11 according to paragraphs (a) and (b), a federally qualified health center or rural health clinic
487.12 must apply for designation as an essential community provider within six months of final
487.13 adoption of rules by the Department of Health according to section 62Q.19, subdivision
487.14 7. For those federally qualified health centers and rural health clinics that have applied
487.15 for essential community provider status within the six-month time prescribed, medical
487.16 assistance payments will continue to be made according to paragraphs (a) and (b) for the
487.17 first three years after application. For federally qualified health centers and rural health
487.18 clinics that either do not apply within the time specified above or who have had essential
487.19 community provider status for three years, medical assistance payments for health services
487.20 provided by these entities shall be according to the same rates and conditions applicable
487.21 to the same service provided by health care providers that are not federally qualified
487.22 health centers or rural health clinics.

487.23 (d) Effective July 1, 1999, the provisions of paragraph (c) requiring a federally
487.24 qualified health center or a rural health clinic to make application for an essential
487.25 community provider designation in order to have cost-based payments made according
487.26 to paragraphs (a) and (b) no longer apply.

487.27 (e) Effective January 1, 2000, payments made according to paragraphs (a) and (b)
487.28 shall be limited to the cost phase-out schedule of the Balanced Budget Act of 1997.

487.29 (f) Effective January 1, 2001, each federally qualified health center and rural health
487.30 clinic may elect to be paid either under the prospective payment system established
487.31 in United States Code, title 42, section 1396a(aa), or under an alternative payment
487.32 methodology consistent with the requirements of United States Code, title 42, section
487.33 1396a(aa), and approved by the Centers for Medicare and Medicaid Services. The
487.34 alternative payment methodology shall be 100 percent of cost as determined according to
487.35 Medicare cost principles.

487.36 (g) For purposes of this section, "nonprofit community clinic" is a clinic that:

- 488.1 (1) has nonprofit status as specified in chapter 317A;
- 488.2 (2) has tax exempt status as provided in Internal Revenue Code, section 501(c)(3);
- 488.3 (3) is established to provide health services to low-income population groups,
- 488.4 uninsured, high-risk and special needs populations, underserved and other special needs
- 488.5 populations;
- 488.6 (4) employs professional staff at least one-half of which are familiar with the
- 488.7 cultural background of their clients;
- 488.8 (5) charges for services on a sliding fee scale designed to provide assistance to
- 488.9 low-income clients based on current poverty income guidelines and family size; and
- 488.10 (6) does not restrict access or services because of a client's financial limitations or
- 488.11 public assistance status and provides no-cost care as needed.
- 488.12 (h) Effective for services provided on or after January 1, 2015, all claims for
- 488.13 payment of clinic services provided by federally qualified health centers and rural health
- 488.14 clinics shall be paid by the commissioner. The commissioner shall determine the most
- 488.15 feasible method for paying claims from the following options:
- 488.16 (1) federally qualified health centers and rural health clinics submit claims directly
- 488.17 to the commissioner for payment, and the commissioner provides claims information for
- 488.18 recipients enrolled in a managed care or county-based purchasing plan to the plan, on
- 488.19 a regular basis; or
- 488.20 (2) federally qualified health centers and rural health clinics submit claims for
- 488.21 recipients enrolled in a managed care or county-based purchasing plan to the plan, and
- 488.22 those claims are submitted by the plan to the commissioner for payment to the clinic.
- 488.23 (i) For clinic services provided prior to January 1, 2015, the commissioner shall
- 488.24 calculate and pay monthly the proposed managed care supplemental payments to clinics,
- 488.25 and clinics shall conduct a timely review of the payment calculation data in order to
- 488.26 finalize all supplemental payments in accordance with federal law. Any issues arising
- 488.27 from a clinic's review must be reported to the commissioner by January 1, 2017. Upon
- 488.28 final agreement between the commissioner and a clinic on issues identified under this
- 488.29 subdivision, and in accordance with United States Code, title 42, section 1396a(bb), no
- 488.30 supplemental payments for managed care plan or county-based purchasing plan claims
- 488.31 for services provided prior to January 1, 2015, shall be made after June 30, 2017. If the
- 488.32 commissioner and clinics are unable to resolve issues under this subdivision, the parties
- 488.33 shall submit the dispute to the arbitration process under section 14.57.
- 488.34 (j) The commissioner shall seek a federal waiver, authorized under section 1115
- 488.35 of the Social Security Act, in order to obtain federal financial participation at the 100
- 488.36 percent federal matching percentage available to facilities of the Indian Health Service

489.1 or tribal organization in accordance with section 1905(b) of the Social Security Act for
489.2 expenditures made to organizations dually certified under Title V of the Indian Health
489.3 Care Improvement Act, PL-437, and as a federally qualified health center under paragraph
489.4 (a) that provides services to American Indian and Alaskan Native individuals eligible for
489.5 services under this subdivision.

489.6 Sec. 37. Minnesota Statutes 2015 Supplement, section 256B.0625, subdivision 31,
489.7 is amended to read:

489.8 Subd. 31. **Medical supplies and equipment.** (a) Medical assistance covers medical
489.9 supplies and equipment. Separate payment outside of the facility's payment rate shall
489.10 be made for wheelchairs and wheelchair accessories for recipients who are residents
489.11 of intermediate care facilities for the developmentally disabled. Reimbursement for
489.12 wheelchairs and wheelchair accessories for ICF/DD recipients shall be subject to the same
489.13 conditions and limitations as coverage for recipients who do not reside in institutions. A
489.14 wheelchair purchased outside of the facility's payment rate is the property of the recipient.

489.15 (b) Vendors of durable medical equipment, prosthetics, orthotics, or medical supplies
489.16 must enroll as a Medicare provider.

489.17 (c) When necessary to ensure access to durable medical equipment, prosthetics,
489.18 orthotics, or medical supplies, the commissioner may exempt a vendor from the Medicare
489.19 enrollment requirement if:

489.20 (1) the vendor supplies only one type of durable medical equipment, prosthetic,
489.21 orthotic, or medical supply;

489.22 (2) the vendor serves ten or fewer medical assistance recipients per year;

489.23 (3) the commissioner finds that other vendors are not available to provide same or
489.24 similar durable medical equipment, prosthetics, orthotics, or medical supplies; and

489.25 (4) the vendor complies with all screening requirements in this chapter and Code of
489.26 Federal Regulations, title 42, part 455. The commissioner may also exempt a vendor from
489.27 the Medicare enrollment requirement if the vendor is accredited by a Centers for Medicare
489.28 and Medicaid Services approved national accreditation organization as complying with
489.29 the Medicare program's supplier and quality standards and the vendor serves primarily
489.30 pediatric patients.

489.31 (d) Durable medical equipment means a device or equipment that:

489.32 (1) can withstand repeated use;

489.33 (2) is generally not useful in the absence of an illness, injury, or disability; and

489.34 (3) is provided to correct or accommodate a physiological disorder or physical
489.35 condition or is generally used primarily for a medical purpose.

490.1 (e) Electronic tablets may be considered durable medical equipment if the electronic
490.2 tablet will be used as an augmentative and alternative communication system as defined
490.3 under subdivision 31a, paragraph (a). To be covered by medical assistance, the device
490.4 must be locked in order to prevent use not related to communication.

490.5 (f) Notwithstanding the requirement in paragraph (e) that an electronic tablet must
490.6 be locked to prevent use not as an augmentative communication device, a recipient of
490.7 waiver services may use an electronic tablet for a use not related to communication when
490.8 the recipient has been authorized under the waiver to receive one or more additional
490.9 applications that can be loaded onto the electronic tablet, such that allowing the additional
490.10 use prevents the purchase of a separate electronic tablet with waiver funds.

490.11 (g) Allergen-reducing products provided according to subdivision 65, paragraph (b),
490.12 clause (3), shall be considered durable medical equipment.

490.13 **EFFECTIVE DATE.** This section is effective upon federal approval, but not before
490.14 January 1, 2017. The commissioner of human services shall notify the revisor of statutes
490.15 when federal approval is obtained.

490.16 Sec. 38. Minnesota Statutes 2014, section 256B.0625, subdivision 34, is amended to
490.17 read:

490.18 Subd. 34. **Indian health services facilities.** (a) Medical assistance payments and
490.19 MinnesotaCare payments to facilities of the Indian health service and facilities operated
490.20 by a tribe or tribal organization under funding authorized by United States Code, title
490.21 25, sections 450f to 450n, or title III of the Indian Self-Determination and Education
490.22 Assistance Act, Public Law 93-638, for enrollees who are eligible for federal financial
490.23 participation, shall be at the option of the facility in accordance with the rate published by
490.24 the United States Assistant Secretary for Health under the authority of United States Code,
490.25 title 42, sections 248(a) and 249(b). ~~General assistance medical care payments to facilities~~
490.26 ~~of the Indian health services and facilities operated by a tribe or tribal organization for~~
490.27 ~~the provision of outpatient medical care services billed after June 30, 1990, must be in~~
490.28 ~~accordance with the general assistance medical care rates paid for the same services~~
490.29 ~~when provided in a facility other than a facility of the Indian health service or a facility~~
490.30 ~~operated by a tribe or tribal organization.~~ MinnesotaCare payments for enrollees who are
490.31 not eligible for federal financial participation at facilities of the Indian health service and
490.32 facilities operated by a tribe or tribal organization for the provision of outpatient medical
490.33 services must be in accordance with the medical assistance rates paid for the same services
490.34 when provided in a facility other than a facility of the Indian health service or a facility
490.35 operated by a tribe or tribal organization.

491.1 (b) Effective upon federal approval, the medical assistance payments to a dually
491.2 certified facility as defined in subdivision 30, paragraph (j), shall be the encounter rate
491.3 described in paragraph (a) or a rate that is substantially equivalent for services provided
491.4 to American Indians and Alaskan Native populations. The rate established under this
491.5 paragraph for dually certified facilities shall not apply to MinnesotaCare payments.

491.6 Sec. 39. Minnesota Statutes 2015 Supplement, section 256B.0625, subdivision 58,
491.7 is amended to read:

491.8 Subd. 58. **Early and periodic screening, diagnosis, and treatment services.** (a)
491.9 Medical assistance covers early and periodic screening, diagnosis, and treatment services
491.10 (EPSDT). The payment amount for a complete EPSDT screening shall not include charges
491.11 for health care services and products that are available at no cost to the provider and shall
491.12 not exceed the rate established per Minnesota Rules, part 9505.0445, item M, effective
491.13 October 1, 2010.

491.14 (b) Effective for services provided on or after July 1, 2016, payment for a complete
491.15 EPSDT screening shall be increased by five percent. Effective January 1, 2017, capitation
491.16 payments made to managed care plans and county-based purchasing plans shall be
491.17 increased to reflect this increase and the commissioner shall require the plans to pass
491.18 on the full amount of the increase in the form of higher payment rates to the providers.
491.19 This increase does not apply to federally qualified health centers, rural health centers,
491.20 and Indian health services.

491.21 Sec. 40. Minnesota Statutes 2014, section 256B.0625, is amended by adding a
491.22 subdivision to read:

491.23 Subd. 60a. **Community emergency medical technician services.** (a) Medical
491.24 assistance covers services provided by a community emergency medical technician
491.25 (CEMT) who is certified under section 144E.275, subdivision 7, when the services are
491.26 provided in accordance with this subdivision.

491.27 (b) A CEMT may provide a posthospital discharge visit when ordered by a treating
491.28 physician. The posthospital discharge visit includes:

491.29 (1) verbal or visual reminders of discharge orders;

491.30 (2) recording and reporting of vital signs to the patient's primary care provider;

491.31 (3) medication access confirmation;

491.32 (4) food access confirmation; and

491.33 (5) identification of home hazards.

492.1 (c) An individual who has repeat ambulance calls due to falls, has been discharged
492.2 from a nursing home, or identified by the individual's primary care provider as at risk
492.3 for nursing home placement, may receive a safety evaluation visit from a CEMT when
492.4 ordered by a primary care provider in accordance with the individual's care plan. A safety
492.5 evaluation visit includes:

492.6 (1) medication access confirmation;

492.7 (2) food access confirmation; and

492.8 (3) identification of home hazards.

492.9 (d) A CEMT shall be paid at \$9.75 per 15-minute increment. A safety evaluation visit
492.10 may not be billed for the same day as a posthospital discharge visit for the same individual.

492.11 **EFFECTIVE DATE.** This section is effective January 1, 2017, or upon federal
492.12 approval, whichever is later. The commissioner of human services shall notify the revisor
492.13 of statutes when federal approval is obtained.

492.14 Sec. 41. Minnesota Statutes 2014, section 256B.0625, is amended by adding a
492.15 subdivision to read:

492.16 Subd. 65. **Enhanced asthma care services.** (a) Medical assistance covers enhanced
492.17 asthma care services and related products for children with poorly controlled asthma
492.18 to be provided in the child's home. To be eligible for services and products under this
492.19 subdivision, a child must:

492.20 (1) be under 21 years of age;

492.21 (2) have poorly controlled asthma;

492.22 (3) have, at least one time in the past year, received health care for the child's asthma
492.23 from a hospital emergency department or been hospitalized for the treatment of asthma; and

492.24 (4) receive a referral for asthma care services and products covered under this
492.25 subdivision from a treating health care provider.

492.26 (b) Covered asthma care services and products include:

492.27 (1) a home assessment for asthma triggers provided by an enrolled healthy homes
492.28 specialist currently credentialed by the National Environmental Health Association;

492.29 (2) targeted asthma education services in the child's home by an enrolled asthma
492.30 educator certified by the National Asthma Educator Certification Board. Asthma

492.31 education services provided under this clause include education on self-management,
492.32 avoiding asthma triggers, identifying worsening asthma symptoms, and medication uses
492.33 and techniques; and

493.1 (3) allergen-reducing products recommended for the child by the healthy homes
493.2 specialist or the certified asthma educator based on the documented allergies for that child
493.3 and proven to reduce asthma triggers identified in the child's home assessment, including:

493.4 (i) encasements for mattresses, box springs, and pillows;

493.5 (ii) a HEPA vacuum cleaner, filters, and bags;

493.6 (iii) a dehumidifier and filters;

493.7 (iv) single-room air cleaners and filters;

493.8 (v) nontoxic pest control systems, including traps and starter packages of food
493.9 storage containers;

493.10 (vi) a damp mopping system;

493.11 (vii) if the child does not have access to a bed, a waterproof hospital-grade mattress;

493.12 and

493.13 (viii) furnace filters, for homeowners only.

493.14 (c) A child is limited to one home assessment and one visit by a certified asthma
493.15 educator to provide education on the use and maintenance of the products listed in
493.16 paragraph (b), clause (3). A child may receive an additional home assessment if the child
493.17 moves to a new home: (1) develops a new asthma trigger, including tobacco smoke; or
493.18 (2) the child's health care provider documents a new allergy for the child, including an
493.19 allergy to mold, pests, pets, or dust mites.

493.20 (d) The commissioner shall determine the frequency that a child may receive a
493.21 product listed in paragraph (b), clause (3), based on the reasonable expected lifetime
493.22 of the product.

493.23 **EFFECTIVE DATE.** This section is effective upon federal approval, but not before
493.24 January 1, 2017. The commissioner of human services shall notify the revisor of statutes
493.25 when federal approval is obtained.

493.26 Sec. 42. Minnesota Statutes 2014, section 256B.15, subdivision 1, is amended to read:

493.27 Subdivision 1. **Policy and applicability.** (a) It is the policy of this state that
493.28 individuals or couples, either or both of whom participate in the medical assistance
493.29 program, use their own assets to pay their share of the total cost of their care during or
493.30 after their enrollment in the program according to applicable federal law and the laws of
493.31 this state. The following provisions apply:

493.32 (1) subdivisions 1c to 1k shall not apply to claims arising under this section which
493.33 are presented under section 525.313;

493.34 (2) the provisions of subdivisions 1c to 1k expanding the interests included in an
493.35 estate for purposes of recovery under this section give effect to the provisions of United

494.1 States Code, title 42, section 1396p, governing recoveries, but do not give rise to any
494.2 express or implied liens in favor of any other parties not named in these provisions;

494.3 (3) the continuation of a recipient's life estate or joint tenancy interest in real
494.4 property after the recipient's death for the purpose of recovering medical assistance under
494.5 this section modifies common law principles holding that these interests terminate on
494.6 the death of the holder;

494.7 (4) all laws, rules, and regulations governing or involved with a recovery of medical
494.8 assistance shall be liberally construed to accomplish their intended purposes;

494.9 (5) a deceased recipient's life estate and joint tenancy interests continued under
494.10 this section shall be owned by the remainderpersons or surviving joint tenants as their
494.11 interests may appear on the date of the recipient's death. They shall not be merged into the
494.12 remainder interest or the interests of the surviving joint tenants by reason of ownership.
494.13 They shall be subject to the provisions of this section. Any conveyance, transfer, sale,
494.14 assignment, or encumbrance by a remainderperson, a surviving joint tenant, or their heirs,
494.15 successors, and assigns shall be deemed to include all of their interest in the deceased
494.16 recipient's life estate or joint tenancy interest continued under this section; and

494.17 (6) the provisions of subdivisions 1c to 1k continuing a recipient's joint tenancy
494.18 interests in real property after the recipient's death do not apply to a homestead owned of
494.19 record, on the date the recipient dies, by the recipient and the recipient's spouse as joint
494.20 tenants with a right of survivorship. Homestead means the real property occupied by the
494.21 surviving joint tenant spouse as their sole residence on the date the recipient dies and
494.22 classified and taxed to the recipient and surviving joint tenant spouse as homestead property
494.23 for property tax purposes in the calendar year in which the recipient dies. For purposes of
494.24 this exemption, real property the recipient and their surviving joint tenant spouse purchase
494.25 solely with the proceeds from the sale of their prior homestead, own of record as joint
494.26 tenants, and qualify as homestead property under section 273.124 in the calendar year
494.27 in which the recipient dies and prior to the recipient's death shall be deemed to be real
494.28 property classified and taxed to the recipient and their surviving joint tenant spouse as
494.29 homestead property in the calendar year in which the recipient dies. The surviving spouse,
494.30 or any person with personal knowledge of the facts, may provide an affidavit describing
494.31 the homestead property affected by this clause and stating facts showing compliance with
494.32 this clause. The affidavit shall be prima facie evidence of the facts it states.

494.33 (b) For purposes of this section, "medical assistance" includes the medical assistance
494.34 program under this chapter and the general assistance medical care program under chapter
494.35 256D and alternative care for nonmedical assistance recipients under section 256B.0913.

495.1 (c) For purposes of this section, beginning January 1, 2010, "medical assistance"
495.2 does not include Medicare cost-sharing benefits in accordance with United States Code,
495.3 title 42, section 1396p.

495.4 (d) All provisions in this subdivision, and subdivisions 1d, 1f, 1g, 1h, 1i, and 1j,
495.5 related to the continuation of a recipient's life estate or joint tenancy interests in real
495.6 property after the recipient's death for the purpose of recovering medical assistance, are
495.7 effective only for life estates and joint tenancy interests established on or after August 1,
495.8 2003. For purposes of this paragraph, medical assistance does not include alternative care.

495.9 Sec. 43. Minnesota Statutes 2014, section 256B.15, subdivision 1a, is amended to read:

495.10 Subd. 1a. **Estates subject to claims.** (a) If a person receives any medical assistance
495.11 hereunder, on the person's death, if single, or on the death of the survivor of a married
495.12 couple, either or both of whom received medical assistance, or as otherwise provided for
495.13 in this section, the ~~total~~ amount paid for medical assistance ~~rendered~~ as limited under
495.14 subdivision 2 for the person and spouse shall be filed as a claim against the estate of the
495.15 person or the estate of the surviving spouse in the court having jurisdiction to probate the
495.16 estate or to issue a decree of descent according to sections 525.31 to 525.313.

495.17 (b) For the purposes of this section, the person's estate must consist of:

495.18 (1) the person's probate estate;

495.19 (2) all of the person's interests or proceeds of those interests in real property the
495.20 person owned as a life tenant or as a joint tenant with a right of survivorship at the time of
495.21 the person's death;

495.22 (3) all of the person's interests or proceeds of those interests in securities the person
495.23 owned in beneficiary form as provided under sections 524.6-301 to 524.6-311 at the time
495.24 of the person's death, to the extent the interests or proceeds of those interests become part
495.25 of the probate estate under section 524.6-307;

495.26 (4) all of the person's interests in joint accounts, multiple-party accounts, and
495.27 pay-on-death accounts, brokerage accounts, investment accounts, or the proceeds of
495.28 those accounts, as provided under sections 524.6-201 to 524.6-214 at the time of the
495.29 person's death to the extent the interests become part of the probate estate under section
495.30 524.6-207; and

495.31 (5) assets conveyed to a survivor, heir, or assign of the person through survivorship,
495.32 living trust, or other arrangements.

495.33 (c) For the purpose of this section and recovery in a surviving spouse's estate for
495.34 medical assistance paid for a predeceased spouse, the estate must consist of all of the legal
495.35 title and interests the deceased individual's predeceased spouse had in jointly owned or

496.1 marital property at the time of the spouse's death, as defined in subdivision 2b, and the
496.2 proceeds of those interests, that passed to the deceased individual or another individual, a
496.3 survivor, an heir, or an assign of the predeceased spouse through a joint tenancy, tenancy
496.4 in common, survivorship, life estate, living trust, or other arrangement. A deceased
496.5 recipient who, at death, owned the property jointly with the surviving spouse shall have
496.6 an interest in the entire property.

496.7 (d) For the purpose of recovery in a single person's estate or the estate of a survivor
496.8 of a married couple, "other arrangement" includes any other means by which title to all or
496.9 any part of the jointly owned or marital property or interest passed from the predeceased
496.10 spouse to another including, but not limited to, transfers between spouses which are
496.11 permitted, prohibited, or penalized for purposes of medical assistance.

496.12 (e) A claim shall be filed if medical assistance was rendered for either or both
496.13 persons under one of the following circumstances:

496.14 (1) the person was over 55 years of age, and received services under this chapter
496.15 prior to January 1, 2014;

496.16 (2) the person resided in a medical institution for six months or longer, received
496.17 services under this chapter, and, at the time of institutionalization or application for
496.18 medical assistance, whichever is later, the person could not have reasonably been expected
496.19 to be discharged and returned home, as certified in writing by the person's treating
496.20 physician. For purposes of this section only, a "medical institution" means a skilled
496.21 nursing facility, intermediate care facility, intermediate care facility for persons with
496.22 developmental disabilities, nursing facility, or inpatient hospital; ~~or~~

496.23 (3) the person received general assistance medical care services under chapter
496.24 256D; ~~or~~

496.25 (4) the person was 55 years of age or older and received medical assistance
496.26 services on or after January 1, 2014, that consisted of nursing facility services, home and
496.27 community-based services, or related hospital and prescription drug benefits.

496.28 (f) The claim shall be considered an expense of the last illness of the decedent for
496.29 the purpose of section 524.3-805. Notwithstanding any law or rule to the contrary, a
496.30 state or county agency with a claim under this section must be a creditor under section
496.31 524.6-307. Any statute of limitations that purports to limit any county agency or the state
496.32 agency, or both, to recover for medical assistance granted hereunder shall not apply to any
496.33 claim made hereunder for reimbursement for any medical assistance granted hereunder.
496.34 Notice of the claim shall be given to all heirs and devisees of the decedent, and to other
496.35 persons with an ownership interest in the real property owned by the decedent at the time
496.36 of the decedent's death, whose identity can be ascertained with reasonable diligence. The

497.1 notice must include procedures and instructions for making an application for a hardship
497.2 waiver under subdivision 5; time frames for submitting an application and determination;
497.3 and information regarding appeal rights and procedures. Counties are entitled to one-half
497.4 of the nonfederal share of medical assistance collections from estates that are directly
497.5 attributable to county effort. Counties are entitled to ten percent of the collections for
497.6 alternative care directly attributable to county effort.

497.7 **EFFECTIVE DATE.** This section is effective upon federal approval and applies to
497.8 services rendered on or after January 1, 2014, and to claims not paid prior to July 1, 2016.

497.9 Sec. 44. Minnesota Statutes 2014, section 256B.15, subdivision 2, is amended to read:

497.10 Subd. 2. **Limitations on claims.** (a) For services rendered prior to January 1, 2014,
497.11 the claim shall include only the total amount of medical assistance rendered after age 55 or
497.12 during a period of institutionalization described in subdivision 1a, paragraph (e), and the
497.13 total amount of general assistance medical care rendered, and shall not include interest.

497.14 (b) For services rendered on or after January 1, 2014, the claim shall include only:

497.15 (1) the amount of medical assistance rendered to recipients 55 years of age or older
497.16 and that consisted of nursing facility services, home and community-based services, and
497.17 related hospital and prescription drug services; and

497.18 (2) the total amount of medical assistance rendered during a period of
497.19 institutionalization described in subdivision 1a, paragraph (e), clause (2).

497.20 The claim shall not include interest. For the purposes of this section, "home and
497.21 community-based services" has the same meaning it has when used in United States
497.22 Code, title 42, section 1396p(b)(1)(B)(i).

497.23 (c) Claims that have been allowed but not paid shall bear interest according to
497.24 section 524.3-806, paragraph (d). A claim against the estate of a surviving spouse who did
497.25 not receive medical assistance, for medical assistance rendered for the predeceased spouse,
497.26 shall be payable from the full value of all of the predeceased spouse's assets and interests
497.27 which are part of the surviving spouse's estate under subdivisions 1a and 2b. Recovery of
497.28 medical assistance expenses in the nonrecipient surviving spouse's estate is limited to the
497.29 value of the assets of the estate that were marital property or jointly owned property at any
497.30 time during the marriage. The claim is not payable from the value of assets or proceeds of
497.31 assets in the estate attributable to a predeceased spouse whom the individual married after
497.32 the death of the predeceased recipient spouse for whom the claim is filed or from assets
497.33 and the proceeds of assets in the estate which the nonrecipient decedent spouse acquired
497.34 with assets which were not marital property or jointly owned property after the death of

498.1 the predeceased recipient spouse. Claims for alternative care shall be net of all premiums
498.2 paid under section 256B.0913, subdivision 12, on or after July 1, 2003, and shall be
498.3 limited to services provided on or after July 1, 2003. Claims against marital property shall
498.4 be limited to claims against recipients who died on or after July 1, 2009.

498.5 **EFFECTIVE DATE.** This section is effective upon federal approval and applies to
498.6 services rendered on or after January 1, 2014, and to claims not paid prior to July 1, 2016.

498.7 Sec. 45. Minnesota Statutes 2014, section 256B.69, subdivision 6, is amended to read:

498.8 Subd. 6. **Service delivery.** (a) Each demonstration provider shall be responsible for
498.9 the health care coordination for eligible individuals. Demonstration providers:

498.10 (1) shall authorize and arrange for the provision of all needed health services
498.11 including but not limited to the full range of services listed in sections 256B.02,
498.12 subdivision 8, and 256B.0625 in order to ensure appropriate health care is delivered to
498.13 enrollees. Notwithstanding section 256B.0621, demonstration providers that provide
498.14 nursing home and community-based services under this section shall provide relocation
498.15 service coordination to enrolled persons age 65 and over;

498.16 (2) shall accept the prospective, per capita payment from the commissioner in return
498.17 for the provision of comprehensive and coordinated health care services for eligible
498.18 individuals enrolled in the program;

498.19 (3) may contract with other health care and social service practitioners to provide
498.20 services to enrollees; and

498.21 (4) shall institute recipient grievance procedures according to the method established
498.22 by the project, utilizing applicable requirements of chapter 62D. Disputes not resolved
498.23 through this process shall be appealable to the commissioner as provided in subdivision 11.

498.24 (b) Demonstration providers must comply with the standards for claims settlement
498.25 under section 72A.201, subdivisions 4, 5, 7, and 8, when contracting with other health
498.26 care and social service practitioners to provide services to enrollees. A demonstration
498.27 provider must pay a clean claim, as defined in Code of Federal Regulations, title 42,
498.28 section 447.45(b), within 30 business days of the date of acceptance of the claim.

498.29 (c) Managed care plans and county-based purchasing plans must comply with
498.30 chapter 62M and section 62Q.83.

498.31 Sec. 46. Minnesota Statutes 2015 Supplement, section 256B.76, subdivision 1, is
498.32 amended to read:

499.1 Subdivision 1. **Physician reimbursement.** (a) Effective for services rendered on
499.2 or after October 1, 1992, the commissioner shall make payments for physician services
499.3 as follows:

499.4 (1) payment for level one Centers for Medicare and Medicaid Services' common
499.5 procedural coding system codes titled "office and other outpatient services," "preventive
499.6 medicine new and established patient," "delivery, antepartum, and postpartum care,"
499.7 "critical care," cesarean delivery and pharmacologic management provided to psychiatric
499.8 patients, and level three codes for enhanced services for prenatal high risk, shall be paid
499.9 at the lower of (i) submitted charges, or (ii) 25 percent above the rate in effect on June
499.10 30, 1992. If the rate on any procedure code within these categories is different than the
499.11 rate that would have been paid under the methodology in section 256B.74, subdivision 2,
499.12 then the larger rate shall be paid;

499.13 (2) payments for all other services shall be paid at the lower of (i) submitted charges,
499.14 or (ii) 15.4 percent above the rate in effect on June 30, 1992; and

499.15 (3) all physician rates shall be converted from the 50th percentile of 1982 to the 50th
499.16 percentile of 1989, less the percent in aggregate necessary to equal the above increases
499.17 except that payment rates for home health agency services shall be the rates in effect
499.18 on September 30, 1992.

499.19 (b) Effective for services rendered on or after January 1, 2000, payment rates for
499.20 physician and professional services shall be increased by three percent over the rates
499.21 in effect on December 31, 1999, except for home health agency and family planning
499.22 agency services. The increases in this paragraph shall be implemented January 1, 2000,
499.23 for managed care.

499.24 (c) Effective for services rendered on or after July 1, 2009, payment rates for
499.25 physician and professional services shall be reduced by five percent, except that for the
499.26 period July 1, 2009, through June 30, 2010, payment rates shall be reduced by 6.5 percent
499.27 for the medical assistance and general assistance medical care programs, over the rates in
499.28 effect on June 30, 2009. This reduction and the reductions in paragraph (d) do not apply
499.29 to office or other outpatient visits, preventive medicine visits and family planning visits
499.30 billed by physicians, advanced practice nurses, or physician assistants in a family planning
499.31 agency or in one of the following primary care practices: general practice, general internal
499.32 medicine, general pediatrics, general geriatrics, and family medicine. This reduction
499.33 and the reductions in paragraph (d) do not apply to federally qualified health centers,
499.34 rural health centers, and Indian health services. Effective October 1, 2009, payments
499.35 made to managed care plans and county-based purchasing plans under sections 256B.69,
499.36 256B.692, and 256L.12 shall reflect the payment reduction described in this paragraph.

500.1 (d) Effective for services rendered on or after July 1, 2010, payment rates for
500.2 physician and professional services shall be reduced an additional seven percent over
500.3 the five percent reduction in rates described in paragraph (c). This additional reduction
500.4 does not apply to physical therapy services, occupational therapy services, and speech
500.5 pathology and related services provided on or after July 1, 2010. This additional reduction
500.6 does not apply to physician services billed by a psychiatrist or an advanced practice nurse
500.7 with a specialty in mental health. Effective October 1, 2010, payments made to managed
500.8 care plans and county-based purchasing plans under sections 256B.69, 256B.692, and
500.9 256L.12 shall reflect the payment reduction described in this paragraph.

500.10 (e) Effective for services rendered on or after September 1, 2011, through June 30,
500.11 2013, payment rates for physician and professional services shall be reduced three percent
500.12 from the rates in effect on August 31, 2011. This reduction does not apply to physical
500.13 therapy services, occupational therapy services, and speech pathology and related services.

500.14 (f) Effective for services rendered on or after September 1, 2014, payment rates for
500.15 physician and professional services, including physical therapy, occupational therapy,
500.16 speech pathology, and mental health services shall be increased by five percent from the
500.17 rates in effect on August 31, 2014. In calculating this rate increase, the commissioner
500.18 shall not include in the base rate for August 31, 2014, the rate increase provided under
500.19 section 256B.76, subdivision 7. This increase does not apply to federally qualified health
500.20 centers, rural health centers, and Indian health services. Payments made to managed
500.21 care plans and county-based purchasing plans shall not be adjusted to reflect payments
500.22 under this paragraph.

500.23 (g) Effective for services rendered on or after July 1, 2015, payment rates for
500.24 physical therapy, occupational therapy, and speech pathology and related services provided
500.25 by a hospital meeting the criteria specified in section 62Q.19, subdivision 1, paragraph
500.26 (a), clause (4), shall be increased by 90 percent from the rates in effect on June 30, 2015.
500.27 Payments made to managed care plans and county-based purchasing plans shall not be
500.28 adjusted to reflect payments under this paragraph.

500.29 (h) Effective for services provided on or after July 1, 2016, payment rates for
500.30 primary care services that were eligible for the rate increase in 2013 and 2014 under
500.31 section 1902(a)(13)(c) of the Social Security Act shall be increased by five percent when
500.32 that service is provided by a provider meeting one of the following criteria:

500.33 (1) a physician certified in the specialties of family medicine, general internal
500.34 medicine, pediatric medicine, or obstetric and gynecological medicine; or

500.35 (2) a physician assistant, advanced practice registered nurse, or physician other
500.36 than a psychiatrist, for whom at least 60 percent of the services for which the provider

501.1 received payment under medical assistance and MinnesotaCare were for primary care
501.2 evaluation and management services or vaccine administration services under the Vaccines
501.3 for Children program. The commissioner shall periodically validate the eligibility of
501.4 providers who attest to meeting the criteria established under this clause.

501.5 Effective January 1, 2017, capitation payments made to managed care plans
501.6 and county-based purchasing plans shall be increased to reflect this increase, and the
501.7 commissioner shall require the plans to pass on the full amount of the increase in the form
501.8 of higher payment rates to eligible providers. This increase does not apply to federally
501.9 qualified health centers, rural health centers, and Indian health services.

501.10 Sec. 47. Minnesota Statutes 2015 Supplement, section 256B.76, subdivision 2, is
501.11 amended to read:

501.12 Subd. 2. **Dental reimbursement.** (a) Effective for services rendered on or after
501.13 October 1, 1992, the commissioner shall make payments for dental services as follows:

501.14 (1) dental services shall be paid at the lower of (i) submitted charges, or (ii) 25
501.15 percent above the rate in effect on June 30, 1992; and

501.16 (2) dental rates shall be converted from the 50th percentile of 1982 to the 50th
501.17 percentile of 1989, less the percent in aggregate necessary to equal the above increases.

501.18 (b) Beginning October 1, 1999, the payment for tooth sealants and fluoride treatments
501.19 shall be the lower of (1) submitted charge, or (2) 80 percent of median 1997 charges.

501.20 (c) Effective for services rendered on or after January 1, 2000, payment rates for
501.21 dental services shall be increased by three percent over the rates in effect on December
501.22 31, 1999.

501.23 (d) Effective for services provided on or after January 1, 2002, payment for
501.24 diagnostic examinations and dental x-rays provided to children under age 21 shall be the
501.25 lower of (1) the submitted charge, or (2) 85 percent of median 1999 charges.

501.26 (e) The increases listed in paragraphs (b) and (c) shall be implemented January 1,
501.27 2000, for managed care.

501.28 (f) Effective for dental services rendered on or after October 1, 2010, by a
501.29 state-operated dental clinic, payment shall be paid on a reasonable cost basis that is based
501.30 on the Medicare principles of reimbursement. This payment shall be effective for services
501.31 rendered on or after January 1, 2011, to recipients enrolled in managed care plans or
501.32 county-based purchasing plans.

501.33 (g) Beginning in fiscal year 2011, if the payments to state-operated dental clinics
501.34 in paragraph (f), including state and federal shares, are less than \$1,850,000 per fiscal
501.35 year, a supplemental state payment equal to the difference between the total payments

502.1 in paragraph (f) and \$1,850,000 shall be paid from the general fund to state-operated
502.2 services for the operation of the dental clinics.

502.3 (h) If the cost-based payment system for state-operated dental clinics described in
502.4 paragraph (f) does not receive federal approval, then state-operated dental clinics shall be
502.5 designated as critical access dental providers under subdivision 4, paragraph (b), and shall
502.6 receive the critical access dental reimbursement rate as described under subdivision 4,
502.7 paragraph (a).

502.8 (i) Effective for services rendered on or after September 1, 2011, through June 30,
502.9 2013, payment rates for dental services shall be reduced by three percent. This reduction
502.10 does not apply to state-operated dental clinics in paragraph (f).

502.11 (j) Effective for services rendered on or after January 1, 2014, payment rates for
502.12 dental services shall be increased by five percent from the rates in effect on December
502.13 31, 2013. This increase does not apply to state-operated dental clinics in paragraph (f),
502.14 federally qualified health centers, rural health centers, and Indian health services. Effective
502.15 January 1, 2014, payments made to managed care plans and county-based purchasing
502.16 plans under sections 256B.69, 256B.692, and 256L.12 shall reflect the payment increase
502.17 described in this paragraph.

502.18 (k) Effective for services rendered on or after July 1, 2015, through December
502.19 31, 2016, the commissioner shall increase payment rates for services furnished by
502.20 dental providers located outside of the seven-county metropolitan area by the maximum
502.21 percentage possible above the rates in effect on June 30, 2015, while remaining within
502.22 the limits of funding appropriated for this purpose. This increase does not apply to
502.23 state-operated dental clinics in paragraph (f), federally qualified health centers, rural health
502.24 centers, and Indian health services. Effective January 1, 2016, through December 31,
502.25 2016, payments to managed care plans and county-based purchasing plans under sections
502.26 256B.69 and 256B.692 shall reflect the payment increase described in this paragraph. The
502.27 commissioner shall require managed care and county-based purchasing plans to pass on
502.28 the full amount of the increase, in the form of higher payment rates to dental providers
502.29 located outside of the seven-county metropolitan area.

502.30 (l) Effective for services provided on or after January 1, 2017, the commissioner
502.31 shall increase payment rates by 9.65 percent for dental services provided outside of
502.32 the seven-county metropolitan area. This increase does not apply to state-operated
502.33 dental clinics in paragraph (f), federally qualified health centers, rural health centers, or
502.34 Indian health services. Effective January 1, 2017, payments to managed care plans and
502.35 county-based purchasing plans under sections 256B.69 and 256B.692 shall reflect the
502.36 payment increase described in this paragraph. The commissioner shall require managed

503.1 care and county-based purchasing plans to pass on the full amount of the increase in the
503.2 form of higher payment rates to dental providers for the dental services that are identified
503.3 for the rate increase in this paragraph.

503.4 (m) Effective for services provided on or after July 1, 2016, payment rates for
503.5 preventive dental services shall be increased by five percent. Effective January 1, 2017,
503.6 capitation payments made to managed care plans and county-based purchasing plans shall
503.7 be increased to reflect this increase, and the commissioner shall require the plans to pass
503.8 on the full amount of the increase in the form of higher payment rates for these services.
503.9 This increase does not apply to state-operated dental clinics in paragraph (f), federally
503.10 qualified health centers, rural health centers, and Indian health services.

503.11 Sec. 48. Minnesota Statutes 2015 Supplement, section 256B.76, subdivision 4, is
503.12 amended to read:

503.13 Subd. 4. **Critical access dental providers.** ~~(a) Effective for dental services rendered~~
503.14 ~~on or after January 1, 2002,~~ The commissioner shall increase reimbursements to dentists
503.15 and dental clinics deemed by the commissioner to be critical access dental providers. For
503.16 dental services rendered on or after July 1, ~~2007~~ 2016, the commissioner shall increase
503.17 reimbursement by ~~35~~ 37.5 percent above the reimbursement rate that would otherwise be
503.18 paid to the critical access dental provider, except as specified under paragraph (b). The
503.19 commissioner shall pay the managed care plans and county-based purchasing plans in
503.20 amounts sufficient to reflect increased reimbursements to critical access dental providers
503.21 as approved by the commissioner.

503.22 (b) For dental services rendered on or after July 1, 2016, by a dental clinic or dental
503.23 group that meets the critical access dental provider designation under paragraph (d),
503.24 clause (4), and is owned and operated by a health maintenance organization licensed under
503.25 chapter 62D, the commissioner shall increase reimbursement by 35 percent above the
503.26 reimbursement rate that would otherwise be paid to the critical access provider.

503.27 ~~(b)~~ (c) Critical access dental payments made under paragraph (a) or (b) for dental
503.28 services provided by a critical access dental provider to an enrollee of a managed care plan
503.29 or county-based purchasing plan must not reflect any capitated payments or cost-based
503.30 payments from the managed care plan or county-based purchasing plan. The managed
503.31 care plan or county-based purchasing plan must base the additional critical access dental
503.32 payment on the amount that would have been paid for that service had the dental provider
503.33 been paid according to the managed care plan or county-based purchasing plan's fee
503.34 schedule that applies to dental providers that are not paid under a capitated payment
503.35 or cost-based payment.

- 504.1 (d) The commissioner shall designate the following dentists and dental clinics as
504.2 critical access dental providers:
- 504.3 (1) nonprofit community clinics that:
- 504.4 (i) have nonprofit status in accordance with chapter 317A;
- 504.5 (ii) have tax exempt status in accordance with the Internal Revenue Code, section
504.6 501(c)(3);
- 504.7 (iii) are established to provide oral health services to patients who are low income,
504.8 uninsured, have special needs, and are underserved;
- 504.9 (iv) have professional staff familiar with the cultural background of the clinic's
504.10 patients;
- 504.11 (v) charge for services on a sliding fee scale designed to provide assistance to
504.12 low-income patients based on current poverty income guidelines and family size;
- 504.13 (vi) do not restrict access or services because of a patient's financial limitations
504.14 or public assistance status; and
- 504.15 (vii) have free care available as needed;
- 504.16 (2) federally qualified health centers, rural health clinics, and public health clinics;
- 504.17 (3) ~~city or county~~ hospital-based dental clinics owned and operated ~~hospital-based~~
504.18 ~~dental clinics~~ by a city, county, or former state hospital as defined in section 62Q.19,
504.19 subdivision 1, paragraph (a), clause (4);
- 504.20 (4) a dental clinic or dental group owned and operated by a nonprofit corporation in
504.21 accordance with chapter 317A with more than 10,000 patient encounters per year with
504.22 patients who are uninsured or covered by medical assistance or MinnesotaCare;
- 504.23 (5) a dental clinic owned and operated by the University of Minnesota or the
504.24 Minnesota State Colleges and Universities system; and
- 504.25 (6) private practicing dentists if:
- 504.26 (i) ~~the dentist's office is located within a health professional shortage area as defined~~
504.27 ~~under Code of Federal Regulations, title 42, part 5, and United States Code, title 42,~~
504.28 ~~section 254E;~~
- 504.29 ~~(ii) more the seven-county metropolitan area and more than 50 percent of the~~
504.30 ~~dentist's patient encounters per year are with patients who are uninsured or covered by~~
504.31 ~~medical assistance or MinnesotaCare; and or~~
- 504.32 ~~(iii) the level of service provided by the dentist is critical to maintaining adequate~~
504.33 ~~levels of patient access within the service area in which the dentist operates.~~
- 504.34 (ii) the dentist's office is located outside the seven-county metropolitan area and
504.35 more than 25 percent of the dentist's patient encounters per year are with patients who are
504.36 uninsured or covered by medical assistance or MinnesotaCare.

505.1 Sec. 49. Minnesota Statutes 2014, section 256B.761, is amended to read:

505.2 **256B.761 REIMBURSEMENT FOR MENTAL HEALTH SERVICES.**

505.3 (a) Effective for services rendered on or after July 1, 2001, payment for medication
505.4 management provided to psychiatric patients, outpatient mental health services, day
505.5 treatment services, home-based mental health services, and family community support
505.6 services shall be paid at the lower of (1) submitted charges, or (2) 75.6 percent of the
505.7 50th percentile of 1999 charges.

505.8 (b) Effective July 1, 2001, the medical assistance rates for outpatient mental health
505.9 services provided by an entity that operates: (1) a Medicare-certified comprehensive
505.10 outpatient rehabilitation facility; and (2) a facility that was certified prior to January 1,
505.11 1993, with at least 33 percent of the clients receiving rehabilitation services in the most
505.12 recent calendar year who are medical assistance recipients, will be increased by 38 percent,
505.13 when those services are provided within the comprehensive outpatient rehabilitation
505.14 facility and provided to residents of nursing facilities owned by the entity.

505.15 (c) The commissioner shall establish three levels of payment for mental health
505.16 diagnostic assessment, based on three levels of complexity. The aggregate payment under
505.17 the tiered rates must not exceed the projected aggregate payments for mental health
505.18 diagnostic assessment under the previous single rate. The new rate structure is effective
505.19 January 1, 2011, or upon federal approval, whichever is later.

505.20 (d) In addition to rate increases otherwise provided, the commissioner may
505.21 restructure coverage policy and rates to improve access to adult rehabilitative mental
505.22 health services under section 256B.0623 and related mental health support services under
505.23 section 256B.021, subdivision 4, paragraph (f), clause (2). For state fiscal years 2015 and
505.24 2016, the projected state share of increased costs due to this paragraph is transferred
505.25 from adult mental health grants under sections 245.4661 and 256E.12. The transfer for
505.26 fiscal year 2016 is a permanent base adjustment for subsequent fiscal years. Payments
505.27 made to managed care plans and county-based purchasing plans under sections 256B.69,
505.28 256B.692, and 256L.12 shall reflect the rate changes described in this paragraph.

505.29 (e) Effective for services provided on or after July 1, 2016, payments for outpatient
505.30 mental health services shall be increased by five percent. Effective January 1, 2017,
505.31 capitation payments made to managed care plans and county-based purchasing plans shall
505.32 be increased to reflect this increase, and the commissioner shall require the plans to pass
505.33 on the full amount of the increase in the form of higher payment rates for these services.
505.34 This increase is not applicable to federally qualified health centers, rural health centers,
505.35 Indian health services, other cost-based rates, rates that are negotiated with the county, or
505.36 rates that are established by the federal government.

506.1 Sec. 50. **[256B.7625] REIMBURSEMENT FOR EVIDENCE-BASED PUBLIC**
506.2 **HEALTH NURSE HOME VISITS.**

506.3 Effective for services provided on or after January 1, 2017, prenatal and postpartum
506.4 follow-up home visits provided by public health nurses using evidence-based models
506.5 shall be paid \$140 per visit. Evidence-based postpartum follow-up home visits must
506.6 be administered by home visiting programs that meet the United States Department
506.7 of Health and Human Services criteria for evidence-based models and identified by
506.8 the commissioner of health as eligible services under the Maternal, Infant, and Early
506.9 Childhood Home Visiting program. Home visits shall be targeted toward pregnant women
506.10 and mothers with children up to three years of age. Effective January 1, 2017, capitation
506.11 payments made to managed care plans and county-based purchasing plans shall be
506.12 increased to reflect this increase and the commissioner shall require the plans to pass on
506.13 the full amount of the increase in the form of higher payment rates to the providers.

506.14 Sec. 51. Minnesota Statutes 2015 Supplement, section 256B.766, is amended to read:

506.15 **256B.766 REIMBURSEMENT FOR BASIC CARE SERVICES.**

506.16 (a) Effective for services provided on or after July 1, 2009, total payments for basic
506.17 care services, shall be reduced by three percent, except that for the period July 1, 2009,
506.18 through June 30, 2011, total payments shall be reduced by 4.5 percent for the medical
506.19 assistance and general assistance medical care programs, prior to third-party liability and
506.20 spenddown calculation. Effective July 1, 2010, the commissioner shall classify physical
506.21 therapy services, occupational therapy services, and speech-language pathology and
506.22 related services as basic care services. The reduction in this paragraph shall apply to
506.23 physical therapy services, occupational therapy services, and speech-language pathology
506.24 and related services provided on or after July 1, 2010.

506.25 (b) Payments made to managed care plans and county-based purchasing plans shall
506.26 be reduced for services provided on or after October 1, 2009, to reflect the reduction
506.27 effective July 1, 2009, and payments made to the plans shall be reduced effective October
506.28 1, 2010, to reflect the reduction effective July 1, 2010.

506.29 (c) Effective for services provided on or after September 1, 2011, through June 30,
506.30 2013, total payments for outpatient hospital facility fees shall be reduced by five percent
506.31 from the rates in effect on August 31, 2011.

506.32 (d) Effective for services provided on or after September 1, 2011, through June
506.33 30, 2013, total payments for ambulatory surgery centers facility fees, medical supplies
506.34 and durable medical equipment not subject to a volume purchase contract, prosthetics
506.35 and orthotics, renal dialysis services, laboratory services, public health nursing services,

507.1 physical therapy services, occupational therapy services, speech therapy services,
507.2 eyeglasses not subject to a volume purchase contract, hearing aids not subject to a volume
507.3 purchase contract, and anesthesia services shall be reduced by three percent from the
507.4 rates in effect on August 31, 2011.

507.5 (e) Effective for services provided on or after September 1, 2014, payments
507.6 for ambulatory surgery centers facility fees, hospice services, renal dialysis services,
507.7 laboratory services, public health nursing services, eyeglasses not subject to a volume
507.8 purchase contract, and hearing aids not subject to a volume purchase contract shall be
507.9 increased by three percent and payments for outpatient hospital facility fees shall be
507.10 increased by three percent. Payments made to managed care plans and county-based
507.11 purchasing plans shall not be adjusted to reflect payments under this paragraph.

507.12 (f) Payments for medical supplies and durable medical equipment not subject to a
507.13 volume purchase contract, and prosthetics and orthotics, provided on or after July 1, 2014,
507.14 through June 30, 2015, shall be decreased by .33 percent. Payments for medical supplies
507.15 and durable medical equipment not subject to a volume purchase contract, and prosthetics
507.16 and orthotics, provided on or after July 1, 2015, shall be increased by three percent from
507.17 the rates as determined under paragraph (i).

507.18 (g) Effective for services provided on or after July 1, 2015, payments for outpatient
507.19 hospital facility fees, medical supplies and durable medical equipment not subject to a
507.20 volume purchase contract, prosthetics and orthotics, and laboratory services to a hospital
507.21 meeting the criteria specified in section 62Q.19, subdivision 1, paragraph (a), clause (4),
507.22 shall be increased by 90 percent from the rates in effect on June 30, 2015. Payments made
507.23 to managed care plans and county-based purchasing plans shall not be adjusted to reflect
507.24 payments under this paragraph.

507.25 (h) This section does not apply to physician and professional services, inpatient
507.26 hospital services, family planning services, mental health services, dental services,
507.27 prescription drugs, medical transportation, federally qualified health centers, rural health
507.28 centers, Indian health services, and Medicare cost-sharing.

507.29 (i) ~~Effective July 1, 2015, the medical assistance payment rate for durable medical~~
507.30 ~~equipment, prosthetics, orthotics, or supplies shall be restored to the January 1, 2008,~~
507.31 ~~medical assistance fee schedule, updated to include subsequent rate increases in the~~
507.32 ~~Medicare and medical assistance fee schedules, and including following categories of~~
507.33 durable medical equipment shall be individually priced items ~~for the following categories:~~
507.34 enteral nutrition and supplies, customized and other specialized tracheostomy tubes and
507.35 supplies, electric patient lifts, and durable medical equipment repair and service. This
507.36 paragraph does not apply to medical supplies and durable medical equipment subject to

508.1 a volume purchase contract, products subject to the preferred diabetic testing supply
508.2 program, and items provided to dually eligible recipients when Medicare is the primary
508.3 payer for the item. The commissioner shall not apply any medical assistance rate
508.4 reductions to durable medical equipment as a result of Medicare competitive bidding.

508.5 (j) Effective July 1, 2015, medical assistance payment rates for durable medical
508.6 equipment, prosthetics, orthotics, or supplies shall be increased as follows:

508.7 (1) payment rates for durable medical equipment, prosthetics, orthotics, or supplies
508.8 that were subject to the Medicare 2008 competitive bid shall be increased by 9.5 percent;
508.9 and

508.10 (2) payment rates for durable medical equipment, prosthetics, orthotics, or supplies
508.11 on the medical assistance fee schedule, whether or not subject to the Medicare 2008
508.12 competitive bid, shall be increased by 2.94 percent, with this increase being applied after
508.13 calculation of any increased payment rate under clause (1).

508.14 This paragraph does not apply to medical supplies and durable medical equipment subject
508.15 to a volume purchase contract, products subject to the preferred diabetic testing supply
508.16 program, items provided to dually eligible recipients when Medicare is the primary payer
508.17 for the item, and individually priced items identified in paragraph (i). Payments made to
508.18 managed care plans and county-based purchasing plans shall not be adjusted to reflect the
508.19 rate increases in this paragraph.

508.20 Sec. 52. Minnesota Statutes 2014, section 256L.01, subdivision 1a, is amended to read:

508.21 Subd. 1a. **Child.** "Child" means an individual under 21 years of age, ~~including the~~
508.22 ~~unborn child of a pregnant woman, an emancipated minor, and an emancipated minor's~~
508.23 ~~spouse.~~

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

508.25 Sec. 53. Minnesota Statutes 2015 Supplement, section 256L.01, subdivision 5, is
508.26 amended to read:

508.27 Subd. 5. **Income.** "Income" has the meaning given for modified adjusted gross
508.28 income, as defined in Code of Federal Regulations, title 26, section 1.36B-1, and means
508.29 a household's ~~projected annual income for the applicable tax year~~ current income, or if
508.30 income fluctuates month to month, the income for the 12-month eligibility period.

508.31 **EFFECTIVE DATE.** This section is effective July 1, 2017.

509.1 Sec. 54. Minnesota Statutes 2015 Supplement, section 256L.03, subdivision 5, is
509.2 amended to read:

509.3 Subd. 5. **Cost-sharing.** (a) Except as otherwise provided in this subdivision, the
509.4 MinnesotaCare benefit plan shall include the following cost-sharing requirements for all
509.5 enrollees:

509.6 (1) \$3 per prescription for adult enrollees;

509.7 (2) \$25 for eyeglasses for adult enrollees;

509.8 (3) \$3 per nonpreventive visit. For purposes of this subdivision, a "visit" means an
509.9 episode of service which is required because of a recipient's symptoms, diagnosis, or
509.10 established illness, and which is delivered in an ambulatory setting by a physician or
509.11 physician ancillary, chiropractor, podiatrist, nurse midwife, advanced practice nurse,
509.12 audiologist, optician, or optometrist;

509.13 (4) \$6 for nonemergency visits to a hospital-based emergency room for services
509.14 provided through December 31, 2010, and \$3.50 effective January 1, 2011; and

509.15 (5) a family deductible equal to \$2.75 per month per family and adjusted annually
509.16 by the percentage increase in the medical care component of the CPI-U for the period
509.17 of September to September of the preceding calendar year, rounded to the next-higher
509.18 five cent increment.

509.19 (b) Paragraph (a) does not apply to children under the age of 21 and to American
509.20 Indians as defined in Code of Federal Regulations, title 42, section 447.51.

509.21 (c) Paragraph (a), clause (3), does not apply to mental health services.

509.22 (d) MinnesotaCare reimbursements to fee-for-service providers and payments to
509.23 managed care plans or county-based purchasing plans shall not be increased as a result of
509.24 the reduction of the co-payments in paragraph (a), clause (4), effective January 1, 2011.

509.25 (e) The commissioner, through the contracting process under section 256L.12,
509.26 may allow managed care plans and county-based purchasing plans to waive the family
509.27 deductible under paragraph (a), clause (5). The value of the family deductible shall not be
509.28 included in the capitation payment to managed care plans and county-based purchasing
509.29 plans. Managed care plans and county-based purchasing plans shall certify annually to the
509.30 commissioner the dollar value of the family deductible.

509.31 (f) The commissioner shall increase co-payments for covered services in a manner
509.32 sufficient to reduce the actuarial value of the benefit to 94 percent for recipients with
509.33 incomes not exceeding 200 percent of the federal poverty guidelines. The commissioner
509.34 shall increase co-payments for covered services in a manner sufficient to reduce the
509.35 actuarial value of the benefit to 87 percent for recipients with incomes greater than
509.36 200 percent but not exceeding 250 percent of the federal poverty guidelines. The

510.1 commissioner shall increase co-payments for covered services in a manner sufficient to
510.2 reduce the actuarial value of the benefit to 80 percent for recipients with incomes greater
510.3 than 250 percent but not exceeding 275 percent of the federal poverty guidelines. The
510.4 cost-sharing changes described in this paragraph do not apply to eligible recipients or
510.5 services exempt from cost-sharing under state law. ~~The cost-sharing changes described in~~
510.6 this paragraph shall not be implemented prior to January 1, 2016.

510.7 (g) The cost-sharing changes authorized under paragraph (f) must satisfy the
510.8 requirements for cost-sharing under the Basic Health Program as set forth in Code of
510.9 Federal Regulations, title 42, sections 600.510 and 600.520.

510.10 **EFFECTIVE DATE.** This section is effective January 1, 2018, or upon federal
510.11 approval, whichever is later. The commissioner of human services shall notify the revisor
510.12 of statutes when federal approval is obtained.

510.13 Sec. 55. Minnesota Statutes 2014, section 256L.04, subdivision 1, is amended to read:

510.14 Subdivision 1. **Families with children.** Families with children with family income
510.15 above 133 percent of the federal poverty guidelines and equal to or less than ~~200~~ 275
510.16 percent of the federal poverty guidelines for the applicable family size shall be eligible
510.17 for MinnesotaCare according to this section. All other provisions of sections 256L.01 to
510.18 256L.18 shall apply unless otherwise specified. Children under age 19 with family income
510.19 at or below ~~200~~ 275 percent of the federal poverty guidelines and who are ineligible for
510.20 medical assistance by sole reason of the application of federal household composition
510.21 rules for medical assistance are eligible for MinnesotaCare.

510.22 **EFFECTIVE DATE.** This section is effective January 1, 2018, or upon federal
510.23 approval, whichever is later. The commissioner of human services shall notify the revisor
510.24 of statutes when federal approval is obtained.

510.25 Sec. 56. Minnesota Statutes 2014, section 256L.04, subdivision 1a, is amended to read:

510.26 Subd. 1a. **Social Security number required.** (a) Individuals and families applying
510.27 for MinnesotaCare coverage must provide a Social Security number if required by Code
510.28 of Federal Regulations, title 45, section 155.310(a)(3).

510.29 (b) ~~The commissioner shall not deny eligibility to an otherwise eligible applicant~~
510.30 ~~who has applied for a Social Security number and is awaiting issuance of that Social~~
510.31 ~~Security number.~~

510.32 (c) ~~Newborns enrolled under section 256L.05, subdivision 3, are exempt from the~~
510.33 ~~requirements of this subdivision.~~

511.1 ~~(d) Individuals who refuse to provide a Social Security number because of~~
511.2 ~~well-established religious objections are exempt from the requirements of this subdivision.~~
511.3 ~~The term "well-established religious objections" has the meaning given in Code of Federal~~
511.4 ~~Regulations, title 42, section 435.910.~~

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

511.6 Sec. 57. Minnesota Statutes 2014, section 256L.04, subdivision 2, is amended to read:

511.7 Subd. 2. **Third-party liability, paternity, and other medical support.** ~~(a) To be~~
511.8 ~~eligible for MinnesotaCare, Individuals and families must~~ may cooperate with the state
511.9 agency to identify potentially liable third-party payers and assist the state in obtaining
511.10 third-party payments. "Cooperation" includes, but is not limited to, complying with
511.11 the notice requirements in section 256B.056, subdivision 9, identifying any third party
511.12 who may be liable for care and services provided under MinnesotaCare to the enrollee,
511.13 providing relevant information to assist the state in pursuing a potentially liable third
511.14 party, and completing forms necessary to recover third-party payments.

511.15 ~~(b) A parent, guardian, relative caretaker, or child enrolled in the MinnesotaCare~~
511.16 ~~program must cooperate with the Department of Human Services and the local agency in~~
511.17 ~~establishing the paternity of an enrolled child and in obtaining medical care support and~~
511.18 ~~payments for the child and any other person for whom the person can legally assign rights,~~
511.19 ~~in accordance with applicable laws and rules governing the medical assistance program. A~~
511.20 ~~child shall not be ineligible for or disenrolled from the MinnesotaCare program solely~~
511.21 ~~because the child's parent, relative caretaker, or guardian fails to cooperate in establishing~~
511.22 ~~paternity or obtaining medical support.~~

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

511.24 Sec. 58. Minnesota Statutes 2014, section 256L.04, subdivision 7, is amended to read:

511.25 Subd. 7. **Single adults and households with no children.** The definition of eligible
511.26 persons includes all individuals and families with no children who have incomes that
511.27 are above 133 percent and equal to or less than ~~200~~ 275 percent of the federal poverty
511.28 guidelines for the applicable family size.

511.29 **EFFECTIVE DATE.** This section is effective January 1, 2018, or upon federal
511.30 approval, whichever is later. The commissioner of human services shall notify the revisor
511.31 of statutes when federal approval is obtained.

512.1 Sec. 59. Minnesota Statutes 2015 Supplement, section 256L.04, subdivision 7b,
512.2 is amended to read:

512.3 Subd. 7b. **Annual income limits adjustment.** The commissioner shall adjust the
512.4 income limits under this section annually ~~on January~~ each July 1 as provided described in
512.5 Code of Federal Regulations, title 26, section 1.36B-1(h) section 256B.056, subdivision 1c.

512.6 **EFFECTIVE DATE.** This section is effective July 1, 2017.

512.7 Sec. 60. Minnesota Statutes 2015 Supplement, section 256L.05, subdivision 3a,
512.8 is amended to read:

512.9 Subd. 3a. **Redetermination of eligibility.** (a) An enrollee's eligibility must be
512.10 redetermined on an annual basis, in accordance with Code of Federal Regulations, title
512.11 42, section 435.916(a). ~~The period of eligibility is the entire calendar year following the~~
512.12 ~~year in which eligibility is redetermined. Beginning in calendar year 2015, eligibility~~
512.13 ~~redeterminations shall occur during the open enrollment period for qualified health plans as~~
512.14 ~~specified in Code of Federal Regulations, title 45, section 155.410.~~ The 12-month eligibility
512.15 period begins the month of application. Beginning July 1, 2017, the commissioner shall
512.16 adjust the eligibility period for enrollees to implement renewals throughout the year
512.17 according to guidance from the Centers for Medicare and Medicaid Services.

512.18 (b) Each new period of eligibility must take into account any changes in
512.19 circumstances that impact eligibility and premium amount. Coverage begins as provided
512.20 in section 256L.06.

512.21 **EFFECTIVE DATE.** This section is effective July 1, 2017.

512.22 Sec. 61. Minnesota Statutes 2015 Supplement, section 256L.06, subdivision 3, is
512.23 amended to read:

512.24 Subd. 3. **Commissioner's duties and payment.** (a) Premiums are dedicated to the
512.25 commissioner for MinnesotaCare.

512.26 (b) The commissioner shall develop and implement procedures to: (1) require
512.27 enrollees to report changes in income; (2) adjust sliding scale premium payments, based
512.28 upon both increases and decreases in enrollee income, at the time the change in income
512.29 is reported; and (3) disenroll enrollees from MinnesotaCare for failure to pay required
512.30 premiums. Failure to pay includes payment with a dishonored check, a returned automatic
512.31 bank withdrawal, or a refused credit card or debit card payment. The commissioner may
512.32 demand a guaranteed form of payment, including a cashier's check or a money order, as
512.33 the only means to replace a dishonored, returned, or refused payment.

513.1 (c) Premiums are calculated on a calendar month basis and may be paid on a
513.2 monthly, quarterly, or semiannual basis, with the first payment due upon notice from the
513.3 commissioner of the premium amount required. The commissioner shall inform applicants
513.4 and enrollees of these premium payment options. Premium payment is required before
513.5 enrollment is complete and to maintain eligibility in MinnesotaCare. Premium payments
513.6 received before noon are credited the same day. Premium payments received after noon
513.7 are credited on the next working day.

513.8 (d) Nonpayment of the premium will result in disenrollment from the plan effective
513.9 for the calendar month following the month for which the premium was due. Persons
513.10 disenrolled for nonpayment may not reenroll prior to the first day of the month following
513.11 the payment of an amount equal to two months' premiums.

513.12 (e) The commissioner shall forgive the past-due premium for persons disenrolled
513.13 under paragraph (d) prior to issuing a premium invoice for the fourth month following
513.14 disenrollment.

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

513.16 Sec. 62. Minnesota Statutes 2014, section 256L.07, subdivision 1, is amended to read:

513.17 Subdivision 1. **General requirements.** Individuals enrolled in MinnesotaCare
513.18 under section 256L.04, subdivision 1, and individuals enrolled in MinnesotaCare under
513.19 section 256L.04, subdivision 7, whose income increases above ~~200 percent of the federal~~
513.20 ~~poverty guidelines~~ the maximum income eligibility limit in section 256L.04, subdivision 1
513.21 or 7, are no longer eligible for the program and shall be disenrolled by the commissioner.
513.22 For persons disenrolled under this subdivision, MinnesotaCare coverage terminates the
513.23 last day of the calendar month ~~following the month~~ in which the commissioner ~~determines~~
513.24 ~~that~~ sends advance notice in accordance with Code of Federal Regulations, title 42, section
513.25 431.211, that indicates the income of a family or individual exceeds program income limits.

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

513.27 Sec. 63. Minnesota Statutes 2014, section 256L.11, subdivision 7, is amended to read:

513.28 Subd. 7. **Critical access dental providers.** Effective for dental services provided to
513.29 MinnesotaCare enrollees on or after ~~January 1, 2007, through August 31, 2011~~ July 1,
513.30 2016, the commissioner shall increase payment rates to dentists and dental clinics deemed
513.31 by the commissioner to be critical access providers under section 256B.76, subdivision
513.32 4, ~~by 50 percent above the payment rate that would otherwise be paid to the provider.~~
513.33 ~~Effective for dental services provided on or after September 1, 2011, the commissioner~~

514.1 ~~shall increase the payment rate by 30~~ 32.5 percent above the payment rate that would
514.2 otherwise be paid to the provider, except for a dental clinic or dental group described in
514.3 section 256B.76, subdivision 4, paragraph (b), in which the commissioner shall increase
514.4 the payment rate by 30 percent above the payment rate that would otherwise be paid to
514.5 the provider. The commissioner shall pay the prepaid health plans under contract with
514.6 the commissioner amounts sufficient to reflect this rate increase. The prepaid health plan
514.7 must pass this rate increase to providers who have been identified by the commissioner as
514.8 critical access dental providers under section 256B.76, subdivision 4.

514.9 Sec. 64. Minnesota Statutes 2015 Supplement, section 256L.15, subdivision 1, is
514.10 amended to read:

514.11 Subdivision 1. **Premium determination for MinnesotaCare.** (a) Families with
514.12 children and individuals shall pay a premium determined according to subdivision 2.

514.13 (b) Members of the military and their families who meet the eligibility criteria
514.14 for MinnesotaCare upon eligibility approval made within 24 months following the end
514.15 of the member's tour of active duty shall have their premiums paid by the commissioner.
514.16 The effective date of coverage for an individual or family who meets the criteria of this
514.17 paragraph shall be the first day of the month following the month in which eligibility is
514.18 approved. This exemption applies for 12 months.

514.19 (c) Beginning July 1, 2009, American Indians enrolled in MinnesotaCare and their
514.20 families shall have their premiums waived by the commissioner in accordance with section
514.21 5006 of the American Recovery and Reinvestment Act of 2009, Public Law 111-5. An
514.22 individual must ~~document~~ indicate status as an American Indian, as defined under Code of
514.23 Federal Regulations, title 42, section 447.50, to qualify for the waiver of premiums. The
514.24 commissioner shall accept attestation of an individual's status as an American Indian as
514.25 verification until the United States Department of Health and Human Services approves
514.26 an electronic data source for this purpose.

514.27 (d) For premiums effective August 1, 2015, and after, the commissioner, after
514.28 consulting with the chairs and ranking minority members of the legislative committees
514.29 with jurisdiction over human services, shall increase premiums under subdivision 2
514.30 for recipients based on June 2015 program enrollment. Premium increases shall be
514.31 sufficient to increase projected revenue to the fund described in section 16A.724 by at
514.32 least \$27,800,000 for the biennium ending June 30, 2017. The commissioner shall publish
514.33 the revised premium scale on the Department of Human Services Web site and in the State
514.34 Register no later than June 15, 2015. The revised premium scale applies to all premiums
514.35 on or after August 1, 2015, in place of the scale under subdivision 2.

515.1 (e) By July 1, 2015, the commissioner shall provide the chairs and ranking minority
 515.2 members of the legislative committees with jurisdiction over human services the revised
 515.3 premium scale effective August 1, 2015, and statutory language to codify the revised
 515.4 premium schedule.

515.5 (f) Premium changes authorized under paragraph (d) must only apply to enrollees
 515.6 not otherwise excluded from paying premiums under state or federal law. Premium
 515.7 changes authorized under paragraph (d) must satisfy the requirements for premiums for
 515.8 the Basic Health Program under title 42 of Code of Federal Regulations, section 600.505.

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

515.10 Sec. 65. Minnesota Statutes 2015 Supplement, section 256L.15, subdivision 2, is
 515.11 amended to read:

515.12 Subd. 2. **Sliding fee scale; monthly individual or family income.** (a) The
 515.13 commissioner shall establish a sliding fee scale to determine the percentage of monthly
 515.14 individual or family income that households at different income levels must pay to obtain
 515.15 coverage through the MinnesotaCare program. The sliding fee scale must be based on the
 515.16 enrollee's monthly individual or family income.

515.17 (b) Beginning January 1, 2014, MinnesotaCare enrollees shall pay premiums
 515.18 according to the premium scale specified in paragraph (d).

515.19 (c) Paragraph (b) does not apply to:

515.20 (1) children 20 years of age or younger; and

515.21 (2) individuals with household incomes below 35 percent of the federal poverty
 515.22 guidelines.

515.23 (d) The following premium scale is established for each individual in the household
 515.24 who is 21 years of age or older and enrolled in MinnesotaCare:

515.25	Federal Poverty Guideline	Less than	Individual Premium
515.26	Greater than or Equal to		Amount
515.27	35%	55%	\$4
515.28	55%	80%	\$6
515.29	80%	90%	\$8
515.30	90%	100%	\$10
515.31	100%	110%	\$12
515.32	110%	120%	\$14
515.33	120%	130%	\$15
515.34	130%	140%	\$16
515.35	140%	150%	\$25
515.36	150%	160%	\$29
515.37	160%	170%	\$33

516.1	170%	180%	\$38
516.2	180%	190%	\$43
516.3	190%		\$50

516.4 (e) The commissioner shall extend the premium scale specified in paragraph (d) to
 516.5 include individuals with incomes greater than 200 percent but not exceeding 275 percent
 516.6 of the federal poverty guidelines, such that individuals with incomes at 201 percent of
 516.7 the federal poverty guidelines shall pay 4.09 percent of income, individuals with incomes
 516.8 at 251 percent of the federal poverty guidelines shall pay 7.26 percent of income, and
 516.9 individuals with incomes at 275 percent of the federal poverty guidelines shall pay 8.83
 516.10 percent of income. The commissioner shall set other premium amounts in a proportional
 516.11 manner using evenly spaced income steps.

516.12 **EFFECTIVE DATE.** This section is effective January 1, 2018, or upon federal
 516.13 approval, whichever is later. The commissioner of human services shall notify the revisor
 516.14 of statutes when federal approval is obtained.

516.15 Sec. 66. **FEDERAL WAIVER.**

516.16 Subdivision 1. **Waiver goals.** (a) The commissioner of human services, in
 516.17 consultation with the commissioners of health and commerce, and the executive director
 516.18 of MNsure, shall seek the necessary federal waiver authority from the United States
 516.19 Department of Health and Human Services to design and operate a seamless and
 516.20 sustainable health coverage continuum that reduces barriers to care, eases the transition
 516.21 across the continuum for consumers, and ensures access to comprehensive and affordable
 516.22 health care coverage. The waiver request shall include all proposals described in this
 516.23 section and the commissioner shall seek authority to secure all federal funding available
 516.24 to meet the proposals as described under this section. This includes available Medicaid
 516.25 funding and all premium tax credits and cost-sharing subsidies available under United
 516.26 States Code, title 26, section 36B, and United States Code, title 42, section 18071, as
 516.27 applicable to each proposal.

516.28 (b) The waiver request must incorporate:

516.29 (1) the alignment of eligibility, benefits, and enrollment requirements across
 516.30 insurance affordability programs, including a common income methodology, 12 months of
 516.31 continuous eligibility for families and children enrolled in medical assistance, consistent
 516.32 household composition rules, and a common definition of "American Indian";

516.33 (2) multipayer alignment across the health care coverage continuum that promotes
 516.34 health equity, including consistent payment methodologies across payers and products and

517.1 similar coverage and contracting requirements across insurance affordability programs
517.2 or product options; and

517.3 (3) innovative reforms to promote cost neutrality and sustainability, including
517.4 prospective and outcome-based payment for collaborative organizations and primary
517.5 care providers.

517.6 (c) In developing this federal waiver request, the commissioner shall coordinate with
517.7 the appropriate state agencies and consult with stakeholder groups and consumers. The
517.8 commissioner shall work with the commissioner of health for the purpose of analyzing the
517.9 differences in the utilization of services and provider payment rates across markets. The
517.10 commissioner may prioritize through separate waiver submissions the proposals described
517.11 in paragraph (b) and subdivisions 3, 4, and 5 to the extent necessary to ensure conformity
517.12 with the federal waiver application requirements.

517.13 (d) The commissioner is authorized to seek any available waivers or federal
517.14 approvals to accomplish the goals and proposals under this section prior to January 1, 2018.

517.15 Subd. 2. **Expansion of the MinnesotaCare program.** (a) As part of the waiver
517.16 request under subdivision 1, the commissioner shall seek authority to:

517.17 (1) expand MinnesotaCare to include persons with incomes up to 275 percent of
517.18 federal poverty guidelines under section 1332 of the Affordable Care Act;

517.19 (2) modify MinnesotaCare premiums and cost-sharing to smooth affordability cliffs
517.20 between insurance affordability programs; and

517.21 (3) receive for all MinnesotaCare enrollees, including but not limited to those with
517.22 incomes at or below 275 percent of the federal poverty guidelines, the full amount of
517.23 advanced premium tax credits, and cost-sharing reductions that these individuals would
517.24 have otherwise received if they obtained qualified health plan coverage through MNsure.

517.25 (b) The commissioner shall notify the chairs and ranking minority members of the
517.26 legislative committees with jurisdiction over health care finances when federal approval is
517.27 obtained for this proposal.

517.28 (c) Upon federal approval, the commissioner is authorized to accept and expend
517.29 federal funds that support the purpose of this subdivision.

517.30 Subd. 3. **Access to employer health coverage.** The commissioner shall include
517.31 in the waiver request under subdivision 1 the ability for individuals who have access to
517.32 health coverage through a spouse's or parent's employer that is deemed minimum essential
517.33 coverage under Code of Federal Regulations, title 26, section 1.36B-2, and the portion of
517.34 the annual premium the employee pays for employee and dependent coverage exceeds
517.35 the required contribution percentage as described in Code of Federal Regulations, title
517.36 26, section 1.36B-2, to:

518.1 (1) enroll in the MinnesotaCare program if all eligibility requirements are met,
518.2 except for the eligibility requirements in Minnesota Statutes, section 256L.07, subdivision
518.3 2, paragraph (a); and

518.4 (2) be eligible for advanced premium tax credits and cost-sharing credits under Code
518.5 of Federal Regulations, title 26, section 1.36B-2, as applicable to their household income
518.6 when purchasing a qualified health plan through MNsure, for individuals whose income is
518.7 above the maximum income eligibility limit under Minnesota Statutes, section 256L.04,
518.8 subdivision 1 or 7, but less than 400 percent of federal poverty guidelines.

518.9 Subd. 4. **MinnesotaCare public option.** (a) The commissioner shall include as
518.10 part of the waiver request under subdivision 1, the authority to establish a public option
518.11 that allows individuals with income above the maximum income eligibility limit under
518.12 Minnesota Statutes, section 256L.04, subdivision 1 or 7, and who otherwise meet the
518.13 MinnesotaCare eligibility requirements to purchase coverage through MinnesotaCare
518.14 instead of purchasing a qualified health plan through MNsure, or an individual health
518.15 plan offered outside of MNsure. The MinnesotaCare public option shall coordinate
518.16 the administration of the public option with the MinnesotaCare program to maximize
518.17 efficiency and improve the continuity of care. The commissioner shall seek to implement
518.18 mechanisms to ensure the long-term financial sustainability of MinnesotaCare and
518.19 mitigate any adverse financial impacts to MNsure. These mechanisms must address issues
518.20 related to minimizing adverse selection; the state's financial risk and contribution; and
518.21 impacts to premiums in the individual and group insurance market both inside and outside
518.22 of MNsure, to health care provider payment rates, and to the financial stability of urban,
518.23 rural, and safety net providers.

518.24 (b) The commissioner shall also seek federal authority for individuals who qualify
518.25 for the purchase option to use advanced tax credits and cost-sharing credits, if eligible, to
518.26 purchase the public option and to permit the public option to be offered through MNsure
518.27 to be compared with qualified health plans.

518.28 (c) The public option shall include, at a minimum, the following:

518.29 (1) establishment of an annual per enrollee premium rate similar to the average rate
518.30 paid by the state to managed care plan contractors under Minnesota Statutes, section
518.31 256L.12;

518.32 (2) establishment of a benefit set equal to the benefits covered under MinnesotaCare
518.33 under Minnesota Statutes, section 256L.03;

518.34 (3) limiting annual enrollment to the same annual open enrollment periods
518.35 established for MNsure;

519.1 (4) ability of the commissioner to adjust the purchase option's actuarial value to a
519.2 value no lower than 87 percent;

519.3 (5) reimbursement mechanisms for addressing potential reductions in funding for
519.4 MNsure operations; and

519.5 (6) reimbursement mechanisms for addressing potential increased cost to the
519.6 MinnesotaCare program under Minnesota Statutes, chapter 256L.

519.7 (d) In preparing the actuarial analysis necessary for this portion of the waiver
519.8 request, the commissioner may coordinate with the University of Minnesota School of
519.9 Public Health.

519.10 Subd. 5. **Alternative open enrollment.** (a) The commissioner, in consultation with
519.11 the commissioners of commerce and health, shall include in the waiver request under
519.12 subdivision 1 the necessary approval to replace the annual open enrollment period in
519.13 the individual health market required under the Affordable Care Act with an alternative
519.14 open enrollment period for qualified health plans offered through MNsure and individual
519.15 health plans offered outside of MNsure. The alternative open enrollment period must be
519.16 of equal length as the existing annual open enrollment period and must not begin before
519.17 the federal individual tax filing deadline.

519.18 (b) The enrollment period described in paragraph (a) shall be limited to a specific
519.19 period of time. Special open enrollment periods as defined under the Affordable Care Act
519.20 shall continue to apply.

519.21 Subd. 6. **Report.** On March 1, 2017, the commissioner shall report to the chairs
519.22 and ranking minority members of the legislative committees with jurisdiction over health
519.23 care policy and finance on the progress of receiving a federal waiver, including the results
519.24 of actuarial analyses on the broader impact to the health insurance market required for
519.25 waiver submission and recommendations on necessary statutory changes, including the
519.26 expected fiscal impact to the state.

519.27 Subd. 7. **Implementation.** Implementation of the proposals contained in the waiver
519.28 request under this section shall be contingent upon necessary federal approval, and
519.29 subsequent statutory changes and state financial contributions, except for subdivision 2,
519.30 which shall be effective January 1, 2018, or upon federal approval, whichever is later.

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

519.32 Sec. 67. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES; NOTICE.**

519.33 For all individuals that received medical assistance non-long term care services on
519.34 or after July 1, 2014, the commissioner of human services must provide notice of the 2016

520.1 amendments to Minnesota Statutes, section 256B.15, subdivisions 1a and 2. The notice
520.2 must be provided within 90 days from the date of enactment.

520.3 **Sec. 68. REQUEST FOR INFORMATION ON A PRIVATIZED STATE-BASED**
520.4 **MARKETPLACE MODEL.**

520.5 (a) The commissioner of management and budget, in consultation with the
520.6 commissioners of human services, commerce, health, MN.IT, the executive director of
520.7 MNsure, and interested stakeholders, shall develop a request for information to consider
520.8 the feasibility for a private vendor to provide the technology functionality for the
520.9 individual market and small business health options program (SHOP) market currently
520.10 provided by MNsure. The request shall seek options for a privately run automated system
520.11 and may involve existing "off-the-shelf" products or customized solutions, or both. The
520.12 system must provide certain core functions including eligibility and enrollment functions,
520.13 plan management, consumer outreach and assistance, and the ability for consumers to
520.14 compare and choose different qualified health plans or group health plans. The system
520.15 must have account transfer functionality to accept application handoffs compatible with
520.16 the Medicaid and MinnesotaCare eligibility and enrollment system maintained by the
520.17 Department of Human Services.

520.18 (b) The commissioner shall report to the governor and legislature the results of
520.19 the request for information and an analysis of the option for a privatized marketplace,
520.20 including estimated costs by December 15, 2016.

520.21 **Sec. 69. REPEALER.**

520.22 (a) Minnesota Statutes 2014, section 256B.059, subdivision 1a, is repealed.

520.23 (b) Minnesota Statutes 2014, sections 256L.04, subdivisions 2a and 8; 256L.22;
520.24 256L.24; 256L.26; and 256L.28, are repealed.

520.25 **EFFECTIVE DATE.** Paragraph (a) is effective June 1, 2016. Paragraph (b) is
520.26 effective the day following final enactment.

520.27 **ARTICLE 26**

520.28 **HEALTH DEPARTMENT**

520.29 Section 1. Minnesota Statutes 2014, section 13.3805, is amended by adding a
520.30 subdivision to read:

520.31 **Subd. 5. Radon testing and mitigation data.** Data maintained by the Department
520.32 of Health that identify the address of a radon testing or mitigation site, and the name,

521.1 address, e-mail address, and telephone number of residents and residential property owners
521.2 of a radon testing or mitigation site, are private data on individuals or nonpublic data.

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

521.4 Sec. 2. Minnesota Statutes 2014, section 13.3806, subdivision 22, is amended to read:

521.5 Subd. 22. **Medical use of cannabis data.** Data collected under the registry program
521.6 authorized under sections 152.22 to 152.37 are governed by sections 152.25, subdivision
521.7 1; 152.27, subdivision 8; 152.28, subdivision 2; and 152.37, subdivision 3.

521.8 Sec. 3. Minnesota Statutes 2014, section 62D.04, subdivision 1, is amended to read:

521.9 Subdivision 1. **Application review.** Upon receipt of an application for a certificate
521.10 of authority, the commissioner of health shall determine whether the applicant for a
521.11 certificate of authority has:

521.12 (a) demonstrated the willingness and potential ability to assure that health care
521.13 services will be provided in such a manner as to enhance and assure both the availability
521.14 and accessibility of adequate personnel and facilities;

521.15 (b) arrangements for an ongoing evaluation of the quality of health care, including a
521.16 peer review process;

521.17 (c) a procedure to develop, compile, evaluate, and report statistics relating to the
521.18 cost of its operations, the pattern of utilization of its services, the quality, availability and
521.19 accessibility of its services, and such other matters as may be reasonably required by
521.20 regulation of the commissioner of health;

521.21 (d) reasonable provisions for emergency and out of area health care services;

521.22 (e) demonstrated that it is financially responsible and may reasonably be expected to
521.23 meet its obligations to enrollees and prospective enrollees. In making this determination,
521.24 the commissioner of health shall require the amount of initial net worth required in section
521.25 62D.042, compliance with the risk-based capital standards under sections 60A.50 to
521.26 60A.592, the deposit required in section 62D.041, and in addition shall consider:

521.27 (1) the financial soundness of its arrangements for health care services and the
521.28 proposed schedule of charges used in connection therewith;

521.29 (2) arrangements which will guarantee for a reasonable period of time the continued
521.30 availability or payment of the cost of health care services in the event of discontinuance of
521.31 the health maintenance organization; and

521.32 (3) agreements with providers for the provision of health care services;

522.1 (f) demonstrated that it will assume full financial risk on a prospective basis for
522.2 the provision of comprehensive health maintenance services, including hospital care;
522.3 provided, however, that the requirement in this paragraph shall not prohibit the following:

522.4 (1) a health maintenance organization from obtaining insurance or making
522.5 other arrangements (i) for the cost of providing to any enrollee comprehensive health
522.6 maintenance services, the aggregate value of which exceeds \$5,000 in any year, (ii) for
522.7 the cost of providing comprehensive health care services to its members on a nonelective
522.8 emergency basis, or while they are outside the area served by the organization, or (iii) for
522.9 not more than 95 percent of the amount by which the health maintenance organization's
522.10 costs for any of its fiscal years exceed 105 percent of its income for such fiscal years; and

522.11 (2) a health maintenance organization from having a provision in a group health
522.12 maintenance contract allowing an adjustment of premiums paid based upon the actual
522.13 health services utilization of the enrollees covered under the contract, except that at no
522.14 time during the life of the contract shall the contract holder fully self-insure the financial
522.15 risk of health care services delivered under the contract. Risk sharing arrangements shall
522.16 be subject to the requirements of sections 62D.01 to 62D.30;

522.17 (g) demonstrated that it has made provisions for and adopted a conflict of interest
522.18 policy applicable to all members of the board of directors and the principal officers of the
522.19 health maintenance organization. The conflict of interest policy shall include the procedures
522.20 described in section 317A.255, subdivisions 1 and 2. However, the commissioner is
522.21 not precluded from finding that a particular transaction is an unreasonable expense as
522.22 described in section 62D.19 even if the directors follow the required procedures; and

522.23 (h) otherwise met the requirements of sections 62D.01 to 62D.30.

522.24 Sec. 4. Minnesota Statutes 2014, section 62D.08, subdivision 3, is amended to read:

522.25 Subd. 3. **Report requirements.** Such report shall be on forms prescribed by the
522.26 commissioner of health, and shall include:

522.27 (a) a financial statement of the organization, including its balance sheet and receipts
522.28 and disbursements for the preceding year certified by an independent certified public
522.29 accountant, reflecting at least (1) all prepayment and other payments received for health
522.30 care services rendered, (2) expenditures to all providers, by classes or groups of providers,
522.31 and insurance companies or nonprofit health service plan corporations engaged to fulfill
522.32 obligations arising out of the health maintenance contract, (3) expenditures for capital
522.33 improvements, or additions thereto, including but not limited to construction, renovation
522.34 or purchase of facilities and capital equipment, and (4) a supplementary statement of

523.1 assets, liabilities, premium revenue, and expenditures for risk sharing business under
523.2 section 62D.04, subdivision 1, on forms prescribed by the commissioner;

523.3 (b) the number of new enrollees enrolled during the year, the number of group
523.4 enrollees and the number of individual enrollees as of the end of the year and the number
523.5 of enrollees terminated during the year;

523.6 (c) a summary of information compiled pursuant to section 62D.04, subdivision 1,
523.7 clause (c), in such form as may be required by the commissioner of health;

523.8 (d) a report of the names and addresses of all persons set forth in section 62D.03,
523.9 subdivision 4, clause (c), who were associated with the health maintenance organization
523.10 or the major participating entity during the preceding year, and the amount of wages,
523.11 expense reimbursements, or other payments to such individuals for services to the health
523.12 maintenance organization or the major participating entity, as those services relate to the
523.13 health maintenance organization, including a full disclosure of all financial arrangements
523.14 during the preceding year required to be disclosed pursuant to section 62D.03, subdivision
523.15 4, clause (d);

523.16 (e) a separate report addressing health maintenance contracts sold to individuals
523.17 covered by Medicare, title XVIII of the Social Security Act, as amended, including the
523.18 information required under section 62D.30, subdivision 6; ~~and~~

523.19 (f) data on the number of complaints received and the category of each complaint as
523.20 defined by the commissioner. The categories must include but are not limited to access,
523.21 communication and behavior, health plan administration, facilities and environment,
523.22 coordination of care, and technical competence and appropriateness. The commissioner
523.23 must define complaint categories to be used by each health maintenance organization by
523.24 July 1, 2017, and the categories must be used by each health maintenance organization
523.25 beginning calendar year 2018; and

523.26 ~~(f)~~ (g) such other information relating to the performance of the health maintenance
523.27 organization as is reasonably necessary to enable the commissioner of health to carry out
523.28 the duties under sections 62D.01 to 62D.30.

523.29 **Sec. 5. [62D.115] QUALITY OF CARE COMPLAINTS.**

523.30 **Subdivision 1. Quality of care complaint.** For purposes of this section, "quality of
523.31 care complaint" means an expressed dissatisfaction regarding health care services resulting
523.32 in potential or actual harm to an enrollee. Quality of care complaints may include but are
523.33 not limited to concerns related to provider and staff competence, clinical appropriateness
523.34 of services, communications, behavior, facility and environmental considerations, or other
523.35 factors that could impact the quality of health care services.

524.1 Subd. 2. **Quality of care complaint investigation.** Each health maintenance
524.2 organization shall develop and implement policies and procedures for the receipt,
524.3 investigation, and resolution of quality of care complaints. The policy and procedures
524.4 must be in writing and must meet the requirements in paragraphs (a) to (g).

524.5 (a) A health maintenance organization's definition for quality of care complaints
524.6 must include the concerns identified in subdivision 1.

524.7 (b) A health maintenance organization must classify each quality of care complaint
524.8 received by severity level as defined by the commissioner and must have investigation
524.9 procedures for each level of severity.

524.10 (c) Any complaint with an allegation regarding quality of care or service must
524.11 be investigated by the health maintenance organization and the health maintenance
524.12 organization must document the investigation process, including documentation that the
524.13 complaint was received and investigated, and that each allegation was addressed. The
524.14 investigation record must include all related documents, correspondence, summaries,
524.15 discussions, consultations, and conferences held in relation to the investigation of the
524.16 quality of care complaint in accordance with subdivision 4.

524.17 (d) The resolution of a complaint must be supported by evidence and may include
524.18 a corrective action plan or a formal response from a provider to the health maintenance
524.19 organization if a formal response was submitted to the health maintenance organization.

524.20 (e) A medical director review shall be conducted as part of the investigation process
524.21 when there is potential for patient harm.

524.22 (f) Each quality of care complaint received by a health maintenance organization
524.23 must be tracked and trended by the health maintenance organization according to provider
524.24 type and the following type of quality of care issue: behavior, facility, environmental,
524.25 or technical competence.

524.26 (g) The commissioner shall define the quality of care complaints severity levels by
524.27 July 1, 2017.

524.28 Subd. 3. **Reporting.** (a) Quality of care complaints must be reported as part of the
524.29 requirements under section 62D.08, subdivision 3.

524.30 (b) All quality of care complaints received by a health maintenance organization
524.31 that meet the highest level of severity as defined by the commissioner under subdivision 2
524.32 must be reported to the commissioner within ten calendar days of receipt of the complaint.
524.33 The commissioner shall investigate each quality of care complaint received under this
524.34 paragraph and may contract with experts in health care or medical practice to assist with
524.35 the investigation. The commissioner's investigative process shall include the notification
524.36 and investigation requirements described in section 214.103 to the extent applicable. The

525.1 commissioner shall furnish to the person who made the complaint a written description
525.2 of the commissioner's investigative process and any action taken by the commissioner
525.3 relating to the complaint, including whether the complaint was referred to the Office of
525.4 Health Facility Complaints or a health-related licensing board. If the commissioner takes
525.5 corrective action or requires the health maintenance organization to make any corrective
525.6 measures of any kind, the nature of the complaint and the action or measures required to
525.7 be taken are public data.

525.8 (c) The commissioner shall forward any quality of care complaint received by a
525.9 health maintenance organization under this subdivision or received directly from an
525.10 enrollee of a health maintenance organization that involves the delivery of health care
525.11 services by a health care provider or facility to the relevant health-related licensing board
525.12 or state agency for further investigation. Prior to forwarding a complaint to the appropriate
525.13 board or agency, the commissioner shall obtain the enrollee's consent.

525.14 Subd. 4. **Right to external quality of care review.** (a) An enrollee or an individual
525.15 acting on behalf of an enrollee who files with the commissioner a quality of care complaint
525.16 that involves a health maintenance organization may submit a written request to the
525.17 commissioner for an external quality of care review. The enrollee must request an external
525.18 review within six months from the date of the adverse event that led to the quality of
525.19 care complaint.

525.20 (b) If the enrollee requests an external quality of care review, the health maintenance
525.21 organization must participate in the external review. The cost of the external quality of
525.22 care review shall be borne by the health maintenance organization.

525.23 Subd. 5. **Contract.** (a) Pursuant to a request for proposal, the commissioner shall
525.24 contract with at least three organizations or business entities to provide independent
525.25 external quality of care reviews submitted for external review.

525.26 (b) The request for proposal must require that the entity demonstrate:

525.27 (1) no conflicts of interest in that it is not owned by, a subsidiary of, or affiliated with
525.28 a health maintenance organization, utilization review organization, or a trade organization
525.29 of health care providers;

525.30 (2) an expertise in dispute resolution;

525.31 (3) an expertise in health-related law;

525.32 (4) an ability to conduct reviews using a variety of alternative dispute resolution
525.33 procedures depending upon the nature of the dispute;

525.34 (5) an ability to maintain written records, for at least three years, regarding reviews
525.35 conducted and provide data to the commissioners of health and commerce upon request on
525.36 reviews conducted;

526.1 (6) an ability to ensure confidentiality of medical records and other enrollee
526.2 information;

526.3 (7) accreditation by a nationally recognized private accrediting organization;

526.4 (8) the ability to provide an expedited external review process; and

526.5 (9) expertise in clinical medical care and the provision of clinically appropriate
526.6 medical care to patients.

526.7 (c) The contract shall ensure that the fees for the services rendered by the entity in
526.8 connection with the review are reasonable.

526.9 Subd. 6. **Process.** (a) Upon receiving a request for an external quality of care
526.10 review, the commissioner shall randomly assign the review to one of the external review
526.11 entities under contract in accordance with subdivision 5. The assigned external review
526.12 entity must provide immediate notice of the review to the enrollee and to the health
526.13 maintenance organization. Within ten business days of receiving notice of the review, the
526.14 health maintenance organization and the enrollee must provide the assigned external
526.15 review entity with any information that the enrollee wishes to be considered. Each party
526.16 shall be provided an opportunity to present its version of the facts and arguments. The
526.17 assigned external review entity must furnish to the health maintenance organization any
526.18 additional information submitted by the enrollee within one business day of receipt. An
526.19 enrollee may be assisted or represented by a person of the enrollee's choice.

526.20 (b) As part of the external quality of care review process, any aspect of an external
526.21 review involving the quality of clinical care must be performed by a health care
526.22 professional with expertise in the medical issue being reviewed.

526.23 (c) An external quality of care review shall be made as soon as practical but in no
526.24 case later than 45 days after receiving the request for an external quality of care review
526.25 and must promptly send written notice of the decision and the reasons for it to the enrollee,
526.26 the health maintenance organization, and the commissioner.

526.27 (d) The external review entity and the clinical reviewer assigned must not have a
526.28 material professional, familial, or financial conflict of interest with:

526.29 (1) the health maintenance organization that is the subject of the external quality
526.30 of care review;

526.31 (2) the enrollee, or any parties related to the enrollee, whose treatment is the subject
526.32 of the external quality of care review;

526.33 (3) any officer, director, or management employee of the health maintenance
526.34 organization;

526.35 (4) a plan administrator, plan fiduciaries, or plan employees;

527.1 (5) the health care provider, the health care provider's group, or practice association
527.2 recommending treatment that is the subject of the external quality of care review;

527.3 (6) the facility at which the recommended treatment would be provided; or

527.4 (7) the developer or manufacturer of the principal drug, device, procedure, or other
527.5 therapy being recommended.

527.6 (e) An expedited external review must be provided upon the enrollee's request
527.7 after receiving:

527.8 (1) clinical care that involves a medical condition for which the time frame for
527.9 completion of an expedited internal appeal would seriously jeopardize the life or health of
527.10 the enrollee or would jeopardize the enrollee's ability to regain maximum function and the
527.11 enrollee has simultaneously requested an expedited internal appeal; or

527.12 (2) clinical care that concerns an admission, availability of care, continued stay, or
527.13 health care service for which the enrollee received emergency services but has not been
527.14 discharged from a facility.

527.15 (f) The external review entity must make its expedited determination and any
527.16 recommendations for actions to ameliorate the effects of adverse clinical care as
527.17 expeditiously as possible but within no more than 72 hours after the receipt of the request
527.18 for expedited review and notify the enrollee, the health maintenance organization, and the
527.19 commissioner of health of the determination.

527.20 (g) If the external review entity's notification is not in writing, the external quality
527.21 of care review entity must provide written confirmation of the determination within 48
527.22 hours of the notification.

527.23 Subd. 7. **Records; data practices.** Each health maintenance organization shall
527.24 maintain records of all quality of care complaints and their resolution and retain those
527.25 records for five years. Notwithstanding section 145.64, the records must be made available
527.26 to the commissioner upon request. Records provided to the commissioner under this
527.27 subdivision are confidential data on individuals or protected nonpublic data as defined in
527.28 section 13.02, subdivision 3 or 13.

527.29 Subd. 8. **Exception.** This section does not apply to quality of care complaints
527.30 received by a health maintenance organization from an enrollee who is covered under a
527.31 public health care program administered by the commissioner of human services under
527.32 chapter 256B or 256L.

527.33 Sec. 6. Minnesota Statutes 2014, section 62J.495, subdivision 4, is amended to read:

527.34 Subd. 4. **Coordination with national HIT activities.** (a) The commissioner,
527.35 in consultation with the e-Health Advisory Committee, shall update the statewide

528.1 implementation plan required under subdivision 2 and released June 2008, to be consistent
528.2 with the updated Federal HIT Strategic Plan released by the Office of the National
528.3 Coordinator in accordance with section 3001 of the HITECH Act. The statewide plan
528.4 shall meet the requirements for a plan required under section 3013 of the HITECH Act.

528.5 (b) The commissioner, in consultation with the e-Health Advisory Committee,
528.6 shall work to ensure coordination between state, regional, and national efforts to support
528.7 and accelerate efforts to effectively use health information technology to improve the
528.8 quality and coordination of health care and the continuity of patient care among health
528.9 care providers, to reduce medical errors, to improve population health, to reduce health
528.10 disparities, and to reduce chronic disease. The commissioner's coordination efforts shall
528.11 include but not be limited to:

528.12 (1) assisting in the development and support of health information technology
528.13 regional extension centers established under section 3012(c) of the HITECH Act to
528.14 provide technical assistance and disseminate best practices; ~~and~~

528.15 (2) providing supplemental information to the best practices gathered by regional
528.16 centers to ensure that the information is relayed in a meaningful way to the Minnesota
528.17 health care community;

528.18 (3) providing financial and technical support to Minnesota health care providers to
528.19 encourage implementation of admission, discharge and transfer alerts, and care summary
528.20 document exchange transactions and to evaluate the impact of health information
528.21 technology on cost and quality of care;

528.22 (4) providing educational resources and technical assistance to health care providers
528.23 and patients related to state and national privacy, security, and consent laws governing
528.24 clinical health information. In carrying out these activities, the commissioner's technical
528.25 assistance does not constitute legal advice;

528.26 (5) assessing Minnesota's legal, financial, and regulatory framework for health
528.27 information exchange, and making recommendations for modifications that would
528.28 strengthen the ability of Minnesota health care providers to securely exchange data
528.29 in compliance with patient preferences and in a way that is efficient and financially
528.30 sustainable; and

528.31 (6) seeking public input on both patient impact and costs associated with
528.32 requirements related to patient consent for release of health records for the purposes of
528.33 treatment, payment, and health care operations, as required in section 144.293, subdivision
528.34 2. The commissioner shall provide a report to the legislature on the findings of this public
528.35 input process no later than February 1, 2017.

529.1 (c) The commissioner, in consultation with the e-Health Advisory Committee, shall
529.2 monitor national activity related to health information technology and shall coordinate
529.3 statewide input on policy development. The commissioner shall coordinate statewide
529.4 responses to proposed federal health information technology regulations in order to ensure
529.5 that the needs of the Minnesota health care community are adequately and efficiently
529.6 addressed in the proposed regulations. The commissioner's responses may include, but
529.7 are not limited to:

529.8 (1) reviewing and evaluating any standard, implementation specification, or
529.9 certification criteria proposed by the national HIT standards committee;

529.10 (2) reviewing and evaluating policy proposed by the national HIT policy committee
529.11 relating to the implementation of a nationwide health information technology infrastructure;

529.12 (3) monitoring and responding to activity related to the development of quality
529.13 measures and other measures as required by section 4101 of the HITECH Act. Any
529.14 response related to quality measures shall consider and address the quality efforts required
529.15 under chapter 62U; and

529.16 (4) monitoring and responding to national activity related to privacy, security, and
529.17 data stewardship of electronic health information and individually identifiable health
529.18 information.

529.19 (d) To the extent that the state is either required or allowed to apply, or designate an
529.20 entity to apply for or carry out activities and programs under section 3013 of the HITECH
529.21 Act, the commissioner of health, in consultation with the e-Health Advisory Committee
529.22 and the commissioner of human services, shall be the lead applicant or sole designating
529.23 authority. The commissioner shall make such designations consistent with the goals and
529.24 objectives of sections 62J.495 to 62J.497 and 62J.50 to 62J.61.

529.25 (e) The commissioner of human services shall apply for funding necessary to
529.26 administer the incentive payments to providers authorized under title IV of the American
529.27 Recovery and Reinvestment Act.

529.28 (f) The commissioner shall include in the report to the legislature information on the
529.29 activities of this subdivision and provide recommendations on any relevant policy changes
529.30 that should be considered in Minnesota.

529.31 Sec. 7. Minnesota Statutes 2014, section 62J.496, subdivision 1, is amended to read:

529.32 Subdivision 1. **Account establishment.** (a) An account is established to:

529.33 (1) finance the purchase of certified electronic health records or qualified electronic
529.34 health records as defined in section 62J.495, subdivision 1a;

530.1 (2) enhance the utilization of electronic health record technology, which may include
530.2 costs associated with upgrading the technology to meet the criteria necessary to be a
530.3 certified electronic health record or a qualified electronic health record;

530.4 (3) train personnel in the use of electronic health record technology; and

530.5 (4) improve the secure electronic exchange of health information.

530.6 (b) Amounts deposited in the account, including any grant funds obtained through
530.7 federal or other sources, loan repayments, and interest earned on the amounts shall
530.8 be used only for awarding loans or loan guarantees, as a source of reserve and security
530.9 for leveraged loans, for activities authorized in section 62J.495, subdivision 4, or for
530.10 the administration of the account.

530.11 (c) The commissioner may accept contributions to the account from private sector
530.12 entities subject to the following provisions:

530.13 (1) the contributing entity may not specify the recipient or recipients of any loan
530.14 issued under this subdivision;

530.15 (2) the commissioner shall make public the identity of any private contributor to the
530.16 loan fund, as well as the amount of the contribution provided;

530.17 (3) the commissioner may issue letters of commendation or make other awards that
530.18 have no financial value to any such entity; and

530.19 (4) a contributing entity may not specify that the recipient or recipients of any loan
530.20 use specific products or services, nor may the contributing entity imply that a contribution
530.21 is an endorsement of any specific product or service.

530.22 (d) The commissioner may use the loan funds to reimburse private sector entities
530.23 for any contribution made to the loan fund. Reimbursement to private entities may not
530.24 exceed the principle amount contributed to the loan fund.

530.25 (e) The commissioner may use funds deposited in the account to guarantee, or
530.26 purchase insurance for, a local obligation if the guarantee or purchase would improve
530.27 credit market access or reduce the interest rate applicable to the obligation involved.

530.28 (f) The commissioner may use funds deposited in the account as a source of revenue
530.29 or security for the payment of principal and interest on revenue or general obligation
530.30 bonds issued by the state if the proceeds of the sale of the bonds will be deposited into
530.31 the loan fund.

530.32 Sec. 8. Minnesota Statutes 2015 Supplement, section 62U.04, subdivision 11, is
530.33 amended to read:

530.34 Subd. 11. **Restricted uses of the all-payer claims data.** (a) Notwithstanding
530.35 subdivision 4, paragraph (b), and subdivision 5, paragraph (b), the commissioner or the

531.1 commissioner's designee shall only use the data submitted under subdivisions 4 and 5 for
531.2 the following purposes:

531.3 (1) to evaluate the performance of the health care home program as authorized under
531.4 sections 256B.0751, subdivision 6, and 256B.0752, subdivision 2;

531.5 (2) to study, in collaboration with the reducing avoidable readmissions effectively
531.6 (RARE) campaign, hospital readmission trends and rates;

531.7 (3) to analyze variations in health care costs, quality, utilization, and illness burden
531.8 based on geographical areas or populations;

531.9 (4) to evaluate the state innovation model (SIM) testing grant received by the
531.10 Departments of Health and Human Services, including the analysis of health care cost,
531.11 quality, and utilization baseline and trend information for targeted populations and
531.12 communities; and

531.13 (5) to compile one or more public use files of summary data or tables that must:

531.14 (i) be available to the public for no or minimal cost by March 1, 2016, and available
531.15 by Web-based electronic data download by June 30, 2019;

531.16 (ii) not identify individual patients, payers, or providers;

531.17 (iii) be updated by the commissioner, at least annually, with the most current data
531.18 available;

531.19 (iv) contain clear and conspicuous explanations of the characteristics of the data,
531.20 such as the dates of the data contained in the files, the absence of costs of care for uninsured
531.21 patients or nonresidents, and other disclaimers that provide appropriate context; and

531.22 (v) not lead to the collection of additional data elements beyond what is authorized
531.23 under this section as of June 30, 2015.

531.24 (b) The commissioner may publish the results of the authorized uses identified
531.25 in paragraph (a) so long as the data released publicly do not contain information or
531.26 descriptions in which the identity of individual hospitals, clinics, or other providers may
531.27 be discerned.

531.28 (c) Nothing in this subdivision shall be construed to prohibit the commissioner from
531.29 using the data collected under subdivision 4 to complete the state-based risk adjustment
531.30 system assessment due to the legislature on October 1, 2015.

531.31 (d) The commissioner or the commissioner's designee may use the data submitted
531.32 under subdivisions 4 and 5 for the purpose described in paragraph (a), clause (3), until
531.33 July 1, ~~2016~~ 2019.

531.34 (e) The commissioner shall consult with the all-payer claims database work group
531.35 established under subdivision 12 regarding the technical considerations necessary to create
531.36 the public use files of summary data described in paragraph (a), clause (5).

532.1 (f) The commissioner shall develop a community input process to advise the
532.2 commissioner in the identification of high priority analyses to be conducted pursuant to
532.3 paragraph (a), clause (3), and in the creation of additional public use files of summary
532.4 data described in paragraph (a), clause (5).

532.5 Sec. 9. Minnesota Statutes 2015 Supplement, section 144.061, is amended to read:

532.6 **144.061 EARLY DENTAL PREVENTION INITIATIVE.**

532.7 Subdivision 1. **Prevention initiative.** (a) The commissioner of health, in
532.8 collaboration with the commissioner of human services, shall implement a statewide
532.9 initiative to increase awareness among communities of color and recent immigrants on
532.10 the importance of early preventive dental intervention for infants and toddlers before
532.11 and after primary teeth appear.

532.12 (b) The commissioner shall develop educational materials and information for
532.13 expectant and new parents within the targeted communities that include the importance
532.14 of early dental care to prevent early cavities, including proper cleaning techniques and
532.15 feeding habits, before and after primary teeth appear.

532.16 (c) The commissioner shall develop a distribution plan to ensure that the materials
532.17 are distributed to expectant and new parents within the targeted communities, including,
532.18 but not limited to, making the materials available to health care providers, community
532.19 clinics, WIC sites, and other relevant sites within the targeted communities.

532.20 (d) In developing these materials and distribution plan, the commissioner shall work
532.21 collaboratively with members of the targeted communities, dental providers, pediatricians,
532.22 child care providers, and home visiting nurses.

532.23 (e) The commissioner shall, with input from stakeholders listed in paragraph (d),
532.24 develop and pilot incentives to encourage early dental care within one year of an infant's
532.25 teeth erupting. Effective July 1, 2017, for the incentives required under this paragraph
532.26 for fiscal year 2018, the commissioner shall implement the incentive pilot described in
532.27 subdivision 2.

532.28 Subd. 2. **Incentive pilot.** (a) For the purpose of determining the effectiveness of
532.29 this initiative, the commissioner shall designate up to three communities of color or of
532.30 recent immigrants, with at least one of the designated communities located outside the
532.31 seven-county metropolitan area, and work with each designated community to ensure that
532.32 the educational materials and information are distributed in accordance with subdivision
532.33 1. The commissioner shall assist the designated community with developing strategies
532.34 to encourage early dental care within one year of an infant's teeth erupting, including

533.1 outreach through ethnic radio, Web casts, and local cable programs, and incentives that are
533.2 geared toward the ethnic groups residing in the designated communities.

533.3 (b) The commissioner shall develop measurable outcomes, including a baseline
533.4 measurement in order to evaluate whether the educational materials, information,
533.5 strategies, and incentives increased the numbers of infants and toddlers receiving early
533.6 preventive dental intervention and care. The evaluation of this incentive pilot shall assist
533.7 the commissioner with the continued development of community incentives to encourage
533.8 early dental care within targeted communities required under subdivision 1, paragraph (e).

533.9 Sec. 10. [144.0615] STATEWIDE SCHOOL-BASED SEALANT GRANT
533.10 PROGRAM.

533.11 (a) The commissioner of health shall develop a statewide coordinated dental sealant
533.12 program to improve access to preventive dental services for school-aged children. The
533.13 program shall focus on developing the data tools necessary to identify the public schools
533.14 in the state with students ages six to nine who are in the greatest need of preventive dental
533.15 care based on the percentage of students who are low income and who are either enrolled
533.16 in a public health care program or uninsured, and have no access to a school-based sealant
533.17 program. In creating this program, the commissioner shall develop an implementation
533.18 plan that identifies statewide needs, establishes outcome measures, and provides an
533.19 evaluation process based on the outcome measures established.

533.20 (b) The commissioner shall award grants to nonprofit organizations to provide
533.21 school-based sealant programs. The grants shall be available to expand existing
533.22 school-based sealant programs and to create new programs in schools that have been
533.23 identified as underserved high-risk schools.

533.24 (c) By March 15, 2018, the commissioner shall submit a report to the chairs and
533.25 ranking minority members of the legislative committees with jurisdiction over health care,
533.26 describing the implementation plan, including the data tools developed; the outcome
533.27 measures; the number of grants awarded; and the location of the schools participating in
533.28 the grants and the results of the evaluation of the program in terms of improving access to
533.29 sealants for school-aged children ages six to nine.

533.30 Sec. 11. [144.1912] GREATER MINNESOTA FAMILY MEDICINE RESIDENCY
533.31 GRANT PROGRAM.

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

533.34 (b) "Commissioner" means the commissioner of health.

534.1 (c) "Eligible family medicine residency program" means a program that meets the
534.2 following criteria:

534.3 (1) is located in Minnesota outside the seven-county metropolitan area, as defined in
534.4 section 473.121, subdivision 4;

534.5 (2) is accredited as a family medicine residency program or is a candidate for
534.6 accreditation;

534.7 (3) is focused on the education and training of family medicine physicians to serve
534.8 communities outside the metropolitan area; and

534.9 (4) demonstrates that over the most recent three years, at least 25 percent of its
534.10 graduates practice in Minnesota communities outside the metropolitan area.

534.11 Subd. 2. **Program administration.** (a) The commissioner shall award family
534.12 medicine residency grants to existing, eligible, not-for-profit family medicine residency
534.13 programs to support current and new residency positions. Funds shall be allocated first to
534.14 proposed new family medicine residency positions, and remaining funds shall be allocated
534.15 proportionally based on the number of existing residents in eligible programs. The
534.16 commissioner may fund a new residency position for up to three years.

534.17 (b) Grant funds awarded may only be spent to cover the costs of:

534.18 (1) establishing, maintaining, or expanding training for family medicine residents;

534.19 (2) recruitment, training, and retention of residents and faculty;

534.20 (3) travel and lodging for residents; and

534.21 (4) faculty, resident, and preceptor salaries.

534.22 (c) Grant funds shall not be used to supplant any other government or private funds
534.23 available for these purposes.

534.24 Subd. 3. **Applications.** Eligible family medicine residency programs seeking a
534.25 grant must apply to the commissioner. The application must include objectives, a related
534.26 work plan and budget, a description of the number of new and existing residency positions
534.27 that will be supported using grant funds, and additional information the commissioner
534.28 determines to be necessary. The commissioner shall determine whether applications are
534.29 complete and responsive and may require revisions or additional information before
534.30 awarding a grant.

534.31 Subd. 4. **Program oversight.** The commissioner shall require and collect from
534.32 family medicine residency programs receiving grants, information necessary to administer
534.33 and evaluate the program. The evaluation shall include the scope of expansion of new
534.34 residency positions and information describing specific programs to enhance current
534.35 residency positions, which may include facility improvements. The commissioner shall
534.36 continue to collect data on greater Minnesota family residency shortages.

535.1 Sec. 12. Minnesota Statutes 2015 Supplement, section 144.4961, subdivision 3,
535.2 is amended to read:

535.3 Subd. 3. **Rulemaking.** The commissioner of health shall adopt rules ~~for establishing~~
535.4 licensure requirements and enforcement of applicable laws and rules work standards
535.5 relating to indoor radon in dwellings and other buildings, with the exception of newly
535.6 constructed Minnesota homes according to section 326B.106, subdivision 6. The
535.7 commissioner shall coordinate, oversee, and implement all state functions in matters
535.8 concerning the presence, effects, measurement, and mitigation of risks of radon in
535.9 dwellings and other buildings.

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

535.11 Sec. 13. Minnesota Statutes 2015 Supplement, section 144.4961, subdivision 4,
535.12 is amended to read:

535.13 Subd. 4. **System tag.** All radon mitigation systems installed in Minnesota on or
535.14 after ~~October 1, 2017~~ January 1, 2018, must have a radon mitigation system tag provided
535.15 by the commissioner. A radon mitigation professional must attach the tag to the radon
535.16 mitigation system in a visible location.

535.17 Sec. 14. Minnesota Statutes 2015 Supplement, section 144.4961, subdivision 5,
535.18 is amended to read:

535.19 Subd. 5. **License required annually.** Effective January 1, 2018, a license is required
535.20 annually for every person, firm, or corporation that ~~sells a device or~~ performs a service
535.21 for compensation to detect the presence of radon in the indoor atmosphere, performs
535.22 laboratory analysis, or performs a service to mitigate radon in the indoor atmosphere. ~~This~~
535.23 ~~section does not apply to retail stores that only sell or distribute radon sampling but are not~~
535.24 ~~engaged in the manufacture of radon sampling devices.~~

535.25 Sec. 15. Minnesota Statutes 2015 Supplement, section 144.4961, subdivision 6,
535.26 is amended to read:

535.27 Subd. 6. **Exemptions.** This section does not apply to:

535.28 (1) radon control systems installed in newly constructed Minnesota homes according
535.29 to section 326B.106, subdivision 6, prior to the issuance of a certificate of occupancy are
535.30 not required to follow the requirements of this section;

535.31 (2) employees of a firm or corporation that installs radon control systems in newly
535.32 constructed Minnesota homes specified in clause (1);

536.1 (3) a person authorized as a building official under Minnesota Rules, part 1300.0070,
536.2 or that person's designee; or

536.3 (4) any person, firm, corporation, or entity that distributes radon testing devices or
536.4 information for general educational purposes.

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

536.6 Sec. 16. Minnesota Statutes 2015 Supplement, section 144.4961, subdivision 8,
536.7 is amended to read:

536.8 Subd. 8. **Licensing fees.** (a) All radon license applications submitted to the
536.9 commissioner of health must be accompanied by the required fees. If the commissioner
536.10 determines that insufficient fees were paid, the necessary additional fees must be paid
536.11 before the commissioner approves the application. The commissioner shall charge the
536.12 following fees for each radon license:

536.13 (1) Each measurement professional license, ~~\$300~~ \$150 per year. "Measurement
536.14 professional" means any person who performs a test to determine the presence and
536.15 concentration of radon in a building ~~they do~~ the person does not own or lease; ~~provides~~
536.16 ~~professional or expert advice on radon testing, radon exposure, or health risks related to~~
536.17 ~~radon exposure; or makes representations of doing any of these activities.~~

536.18 (2) Each mitigation professional license, ~~\$500~~ \$250 per year. "Mitigation
536.19 professional" means an individual who ~~performs~~ installs or designs a radon mitigation
536.20 system in a building ~~they do~~ the individual does not own or lease; ~~provides professional or~~
536.21 ~~expert advice on radon mitigation or radon entry routes; or provides on-site supervision~~
536.22 ~~of radon mitigation and mitigation technicians; or makes representations of doing any of~~
536.23 ~~these activities.~~ "On-site supervision" means a review at the property of mitigation work
536.24 upon completion of the work and attachment of a system tag. Employees or subcontractors
536.25 who are supervised by a licensed mitigation professional are not required to be licensed
536.26 under this clause. This license also permits the licensee to perform the activities of a
536.27 measurement professional described in clause (1).

536.28 (3) Each mitigation company license, ~~\$500~~ \$100 per year. "Mitigation company"
536.29 means any business or government entity that performs or authorizes employees to
536.30 perform radon mitigation. This fee is waived if the mitigation company ~~is a sole~~
536.31 proprietorship employs only one licensed mitigation professional.

536.32 (4) Each radon analysis laboratory license, \$500 per year. "Radon analysis
536.33 laboratory" means a business entity or government entity that analyzes passive radon
536.34 detection devices to determine the presence and concentration of radon in the devices.

537.1 This fee is waived if the laboratory is a government entity and is only distributing test kits
537.2 for the general public to use in Minnesota.

537.3 (5) Each Minnesota Department of Health radon mitigation system tag, \$75 per tag.
537.4 "Minnesota Department of Health radon mitigation system tag" or "system tag" means a
537.5 unique identifiable radon system label provided by the commissioner of health.

537.6 (b) Fees collected under this section shall be deposited in the state treasury and
537.7 credited to the state government special revenue fund.

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

537.9 Sec. 17. Minnesota Statutes 2015 Supplement, section 144.4961, is amended by adding
537.10 a subdivision to read:

537.11 **Subd. 10. Local inspections or permits.** This section does not preclude local units
537.12 of government from requiring additional permits or inspections for radon control systems,
537.13 and does not supersede any local inspection or permit requirements.

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

537.15 Sec. 18. Minnesota Statutes 2014, section 144A.75, subdivision 5, is amended to read:

537.16 **Subd. 5. Hospice provider.** "Hospice provider" means an individual, organization,
537.17 association, corporation, unit of government, or other entity that is regularly engaged
537.18 in the delivery, directly or by contractual arrangement, of hospice services for a fee to
537.19 ~~terminally ill~~ hospice patients. A hospice must provide all core services.

537.20 Sec. 19. Minnesota Statutes 2014, section 144A.75, subdivision 6, is amended to read:

537.21 **Subd. 6. Hospice patient.** "Hospice patient" means an individual ~~who has been~~
537.22 ~~diagnosed as terminally ill, with a probable life expectancy of under one year, as whose~~
537.23 illness has been documented by the individual's attending physician and hospice medical
537.24 director, who alone or, when unable, through the individual's family has voluntarily
537.25 consented to and received admission to a hospice provider, and who:

537.26 (1) has been diagnosed as terminally ill, with a probable life expectancy of under
537.27 one year; or

537.28 (2) is 21 years of age or younger and has been diagnosed with a life-threatening
537.29 illness contributing to a shortened life expectancy.

537.30 Sec. 20. Minnesota Statutes 2014, section 144A.75, subdivision 8, is amended to read:

538.1 Subd. 8. **Hospice services; hospice care.** "Hospice services" or "hospice care"
538.2 means palliative and supportive care and other services provided by an interdisciplinary
538.3 team under the direction of an identifiable hospice administration to ~~terminally ill~~ hospice
538.4 patients and their families to meet the physical, nutritional, emotional, social, spiritual,
538.5 and special needs experienced during the final stages of illness, dying, and bereavement,
538.6 or during a life-threatening illness contributing to a shortened life expectancy. These
538.7 services are provided through a centrally coordinated program that ensures continuity and
538.8 consistency of home and inpatient care that is provided directly or through an agreement.

538.9 Sec. 21. Minnesota Statutes 2015 Supplement, section 144A.75, subdivision 13,
538.10 is amended to read:

538.11 Subd. 13. **Residential hospice facility.** (a) "Residential hospice facility" means a
538.12 facility that resembles a single-family home modified to address life safety, accessibility,
538.13 and care needs, located in a residential area that directly provides 24-hour residential
538.14 and support services in a home-like setting for hospice patients as an integral part of the
538.15 continuum of home care provided by a hospice and that houses:

538.16 (1) no more than eight hospice patients; or

538.17 (2) at least nine and no more than 12 hospice patients with the approval of the local
538.18 governing authority, notwithstanding section 462.357, subdivision 8.

538.19 (b) Residential hospice facility also means a facility that directly provides 24-hour
538.20 residential and support services for hospice patients and that:

538.21 (1) houses no more than 21 hospice patients;

538.22 (2) meets hospice certification regulations adopted pursuant to title XVIII of the
538.23 federal Social Security Act, United States Code, title 42, section 1395, et seq.; and

538.24 (3) is located on St. Anthony Avenue in St. Paul, Minnesota, and was licensed as a
538.25 40-bed non-Medicare certified nursing home as of January 1, 2015.

538.26 Sec. 22. Minnesota Statutes 2014, section 144A.75, is amended by adding a
538.27 subdivision to read:

538.28 Subd. 13a. **Respite care.** "Respite care" means short-term care in an inpatient facility
538.29 such as a residential hospice facility, when necessary to relieve the hospice patient's family
538.30 or other persons caring for the patient. Respite care may be provided on an occasional basis.

538.31 Sec. 23. Minnesota Statutes 2014, section 152.27, subdivision 2, is amended to read:

538.32 Subd. 2. **Commissioner duties.** (a) The commissioner shall:

539.1 (1) give notice of the program to health care practitioners in the state who are
539.2 eligible to serve as health care practitioners and explain the purposes and requirements
539.3 of the program;

539.4 (2) allow each health care practitioner who meets or agrees to meet the program's
539.5 requirements and who requests to participate, to be included in the registry program to
539.6 collect data for the patient registry;

539.7 (3) allow each health care practitioner who meets the requirements of subdivision 8,
539.8 and who requests access for a permissible purpose, to have limited access to a patient's
539.9 registry information;

539.10 ~~(3)~~ (4) provide explanatory information and assistance to each health care
539.11 practitioner in understanding the nature of therapeutic use of medical cannabis within
539.12 program requirements;

539.13 ~~(4)~~ (5) create and provide a certification to be used by a health care practitioner
539.14 for the practitioner to certify whether a patient has been diagnosed with a qualifying
539.15 medical condition and include in the certification an option for the practitioner to certify
539.16 whether the patient, in the health care practitioner's medical opinion, is developmentally or
539.17 physically disabled and, as a result of that disability, the patient is unable to self-administer
539.18 medication or acquire medical cannabis from a distribution facility;

539.19 ~~(5)~~ (6) supervise the participation of the health care practitioner in conducting
539.20 patient treatment and health records reporting in a manner that ensures stringent security
539.21 and record-keeping requirements and that prevents the unauthorized release of private
539.22 data on individuals as defined by section 13.02;

539.23 ~~(6)~~ (7) develop safety criteria for patients with a qualifying medical condition as a
539.24 requirement of the patient's participation in the program, to prevent the patient from
539.25 undertaking any task under the influence of medical cannabis that would constitute
539.26 negligence or professional malpractice on the part of the patient; and

539.27 ~~(7)~~ (8) conduct research and studies based on data from health records submitted to
539.28 the registry program and submit reports on intermediate or final research results to the
539.29 legislature and major scientific journals. The commissioner may contract with a third
539.30 party to complete the requirements of this clause. Any reports submitted must comply
539.31 with section 152.28, subdivision 2.

539.32 (b) If the commissioner wishes to add a delivery method under section 152.22,
539.33 subdivision 6, or a qualifying medical condition under section 152.22, subdivision 14, the
539.34 commissioner must notify the chairs and ranking minority members of the legislative policy
539.35 committees having jurisdiction over health and public safety of the addition and the reasons
539.36 for its addition, including any written comments received by the commissioner from the

540.1 public and any guidance received from the task force on medical cannabis research, by
540.2 January 15 of the year in which the commissioner wishes to make the change. The change
540.3 shall be effective on August 1 of that year, unless the legislature by law provides otherwise.

540.4 Sec. 24. Minnesota Statutes 2014, section 152.27, is amended by adding a subdivision
540.5 to read:

540.6 Subd. 8. Access to registry data. (a) Notwithstanding section 152.31, a health
540.7 care practitioner may access a patient's registry information to the extent the information
540.8 relates specifically to a current patient, to whom the health care practitioner is:

540.9 (1) prescribing or considering prescribing any controlled substance;

540.10 (2) providing emergency medical treatment for which access to the data may be
540.11 necessary; or

540.12 (3) providing other medical treatment for which access to the data may be necessary
540.13 and the patient has consented to access to the registry account information, and with the
540.14 provision that the health care practitioner remains responsible for the use or misuse of data
540.15 accessed by a delegated agent or employee.

540.16 (b) A health care practitioner who is authorized to access the patient registry under
540.17 this subdivision may be registered to electronically access limited data in the medical
540.18 cannabis patient registry. If the data is accessed electronically, the health care practitioner
540.19 shall implement and maintain a comprehensive information security program that contains
540.20 administrative, technical, and physical safeguards that are appropriate to the user's size
540.21 and complexity, and the sensitivity of the personal information obtained. The health care
540.22 practitioner shall identify reasonably foreseeable internal and external risks to the security,
540.23 confidentiality, and integrity of personal information that could result in the unauthorized
540.24 disclosure, misuse, or other compromise of the information and assess the sufficiency of
540.25 any safeguards in place to control the risks.

540.26 (c) When requesting access based on patient consent, a health care practitioner shall
540.27 warrant that the request:

540.28 (1) contains no information known to the provider to be false;

540.29 (2) accurately states the patient's desire to have health records disclosed or that
540.30 there is specific authorization in law; and

540.31 (3) does not exceed any limits imposed by the patient in the consent.

540.32 (d) Before a health care practitioner may access the data, the commissioner shall
540.33 ensure that the health care practitioner agrees to comply with paragraph (b).

540.34 (e) The commissioner shall maintain a log of all persons who access the data for
540.35 a period of three years.

541.1 Sec. 25. Minnesota Statutes 2014, section 152.33, is amended by adding a subdivision
541.2 to read:

541.3 Subd. 7. **Improper access to registry; criminal penalty.** In addition to any
541.4 other applicable penalty in law, a person who intentionally makes a false statement or
541.5 misrepresentation to gain access to the patient registry under section 152.27, subdivision 8,
541.6 or otherwise accesses the patient registry under false pretenses, is guilty of a misdemeanor
541.7 punishable by imprisonment for not more than 90 days or by payment of a fine of not more
541.8 than \$1,000, or both. The penalty is in addition to any other penalties that may apply for
541.9 making a false statement, misrepresentation, or unauthorized acquisition of not public data.

541.10 Sec. 26. Minnesota Statutes 2014, section 327.14, subdivision 8, is amended to read:

541.11 Subd. 8. **Recreational camping area.** "Recreational camping area" means any area,
541.12 whether privately or publicly owned, used on a daily, nightly, weekly, or longer basis for
541.13 the accommodation of five or more tents or recreational camping vehicles free of charge
541.14 or for compensation. "Recreational camping area" excludes:

541.15 (1) children's camps;

541.16 (2) industrial camps;

541.17 (3) migrant labor camps, as defined in Minnesota Statutes and state commissioner
541.18 of health rules;

541.19 (4) United States Forest Service camps;

541.20 (5) state forest service camps;

541.21 (6) state wildlife management areas or state-owned public access areas which are
541.22 restricted in use to picnicking and boat landing; ~~and~~

541.23 (7) temporary holding areas for self-contained recreational camping vehicles
541.24 created by and adjacent to motor sports facilities, if the chief law enforcement officer of
541.25 an affected jurisdiction determines that it is in the interest of public safety to provide a
541.26 temporary holding area; and

541.27 (8) a privately owned area used for camping no more than once a year and for no
541.28 longer than seven consecutive days by members of a private club where the members pay
541.29 annual dues to belong to the club.

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

541.31 Sec. 27. Laws 2015, chapter 71, article 8, section 24, the effective date, is amended to
541.32 read:

542.1 **EFFECTIVE DATE.** This section is effective July 1, 2015, except subdivisions 4
542.2 and 5, which are effective ~~October 1, 2017~~ July 1, 2016.

542.3 Sec. 28. **CONTAMINATED PRIVATE WELLS.**

542.4 Ten priority points must be assigned by the Department of Health pursuant to
542.5 Minnesota Rules, part 4720.9020, if a drinking water advisory has been issued or a special
542.6 well construction area has been established by the Department of Health.

542.7 **EFFECTIVE DATE.** This section is effective the day following final enactment
542.8 and applies to Minnesota Rules, part 4720.9020, until the Department of Health modifies
542.9 part 4720.9020.

542.10 Sec. 29. **HEALTH RISK LIMITS.**

542.11 Fifteen points must be assigned by the Department of Health pursuant to Minnesota
542.12 Rules, part 4720.9020, if the department has confirmed an exceedance of a health risk limit
542.13 under Minnesota Rules, parts 4717.7500 to 4717.7900, within the past 36 calendar months.

542.14 **EFFECTIVE DATE.** This section is effective the day following final enactment
542.15 and applies to Minnesota Rules, part 4720.9020, until the Department of Health modifies
542.16 part 4720.9020.

542.17 Sec. 30. **MEDICALLY NECESSARY CARE DEFINITION FOR HEALTH**
542.18 **MAINTENANCE ORGANIZATIONS.**

542.19 The commissioner of health shall convene a public meeting with interested
542.20 stakeholders to discuss the need for a uniform definition of medically necessary care for
542.21 health maintenance organizations to utilize when determining the medical necessity,
542.22 appropriateness, or efficacy of a health care service or procedure, and a uniform process for
542.23 each health maintenance organization to follow when making such an initial determination
542.24 or utilization review. This discussion shall exclude determinations or reviews involving
542.25 enrollees covered under a public health care program administered by the commissioner
542.26 of human services under Minnesota Statutes, chapter 256B or 256L.

542.27 By January 15, 2017, the commissioner shall report results of the public input and
542.28 any recommendations, including draft legislation, to the chairs and ranking minority
542.29 members of the legislative committees with jurisdiction over health care on the proposed
542.30 uniform definition and determination process, and a process in which the commissioner
542.31 may periodically review the medically necessary care determinations to ensure that

543.1 the determinations made by a health maintenance organization adhere to the uniform
543.2 definition and process.

543.3 **Sec. 31. PEER REVIEW DISCLOSURE.**

543.4 The commissioner of health shall consult with interested stakeholders
543.5 including members of the public and family members of facility residents and make
543.6 recommendations regarding when quality of care complaint investigations under
543.7 Minnesota Statutes, section 62D.115, should be subject to peer review confidentiality
543.8 and identifying circumstances in which peer review final determinations may be
543.9 disclosed or made available to the public, notwithstanding Minnesota Statutes, section
543.10 145.64, including, but not limited to, patient safety and the parameters surrounding such
543.11 disclosure. The commissioner shall submit these recommendations, including draft
543.12 legislation to the chairs and ranking minority members of the legislative committees with
543.13 jurisdiction over health care and data privacy by January 15, 2017.

543.14 **Sec. 32. COST AND BENEFIT ANALYSIS; HEALTH CARE SYSTEM**
543.15 **PROPOSALS.**

543.16 Subdivision 1. **Contract for analysis of proposals.** The commissioner of health
543.17 shall contract with the University of Minnesota School of Public Health to conduct an
543.18 analysis of the costs and benefits of three specific proposals that seek to create a health
543.19 care system with increased access, greater affordability, lower costs, and improved quality
543.20 of care in comparison to the current system.

543.21 Subd. 2. **Plans.** The commissioner of health, with input from the commissioners
543.22 of human services and commerce, legislators, and other stakeholders, shall submit to the
543.23 University of Minnesota the following proposals:

543.24 (1) a free-market insurance-based competition approach;

543.25 (2) a universal health care plan designed to meet the following principles:

543.26 (i) ensure all Minnesotans receive quality health care;

543.27 (ii) cover all necessary care, including all coverage currently required by law,
543.28 complete mental health services, chemical dependency treatment, prescription drugs,
543.29 medical equipment and supplies, dental care, long-term care, and home care services;

543.30 (iii) allow patients to choose their own providers; and

543.31 (iv) use premiums based on ability to pay; and

543.32 (3) a MinnesotaCare public option that would allow individuals with income above
543.33 the maximum income eligibility limit established for the MinnesotaCare program the
543.34 option of purchasing this public option instead of purchasing a qualified health plan

544.1 through MNsure or an individual health plan offered outside of MNsure. For purposes of
544.2 conducting the analysis, the MinnesotaCare public option shall include the following:

544.3 (i) individuals who qualify for advanced tax credits and cost-sharing credits under
544.4 the Affordable Care Act may use the credits to purchase the MinnesotaCare public option;

544.5 (ii) enrollee premium rates shall be established at rates that are similar to the average
544.6 rate paid by the state to managed care plan contractors for MinnesotaCare;

544.7 (iii) the covered benefit set shall be equal to the benefits covered under
544.8 MinnesotaCare;

544.9 (iv) the same annual open enrollment period established for MNsure shall apply
544.10 for this public option; and

544.11 (v) cost-sharing shall be established that maintains an actuarial value no lower
544.12 than 87 percent.

544.13 The analysis of this option must include potential financial impacts on MNsure; the
544.14 long-term financial stability of the MinnesotaCare program; impacts to premiums in
544.15 the individual and small group insurance market; and impacts to health care provider
544.16 reimbursement rates and to the financial stability of urban, rural, and safety net providers.

544.17 Subd. 3. **Proposal analysis.** (a) The analysis of each proposal must measure the
544.18 impact on total public and private health care spending in Minnesota that would result
544.19 from each proposal, including spending by individuals. "Total public and private health
544.20 care spending" means spending on all medical care, including dental care, prescription
544.21 drugs, medical equipment and supplies, complete mental health services, chemical
544.22 dependency treatment, long-term care, and home care services as well as all of the costs
544.23 for administering, delivering, and paying for the care. The analysis of total health care
544.24 spending shall include whether there are savings or additional costs compared to the
544.25 existing system due to:

544.26 (1) increased or reduced insurance, billing, underwriting, marketing, and other
544.27 administrative functions;

544.28 (2) changes in access to and timely and appropriate use of medical care;

544.29 (3) availability and take-up of health insurance coverage;

544.30 (4) market-driven or negotiated prices on medical services and products, including
544.31 pharmaceuticals;

544.32 (5) shortages or excess capacity of medical facilities and equipment;

544.33 (6) increased or decreased utilization; better health outcomes; and increased wellness
544.34 due to prevention, early intervention, and health-promoting activities;

544.35 (7) payment reforms;

544.36 (8) coordination of care; and

545.1 (9) to the extent possible given available data and resources, non-health care impacts
545.2 on state and local expenditures such as reduced out-of-home placement or crime costs
545.3 due to mental health or chemical dependency coverage.

545.4 (b) To the extent possible given available data and resources, the analysis must also
545.5 estimate for each proposal job losses or gains in health care and elsewhere in the economy
545.6 due to implementation of the reforms.

545.7 (c) The analysis shall assume that the provisions in each proposal are not preempted
545.8 by federal law or that the federal government gives a waiver to the preemption.

545.9 Subd. 4. **Report.** The commissioner shall provide a preliminary report to the chairs
545.10 and ranking minority members of the legislative committees with jurisdiction over health
545.11 and human services policy and finance by March 15, 2017, and a final report by October
545.12 1, 2017. For the analyses described in subdivision 3, paragraphs (a), clause (9), and (b),
545.13 a final report is due by March 15, 2018.

545.14 **ARTICLE 27**

545.15 **HEALTH-RELATED OCCUPATIONAL LICENSING**

545.16 **SPOKEN LANGUAGE HEALTH CARE INTERPRETERS**

545.17 Section 1. **[146C.01] DEFINITIONS.**

545.18 Subdivision 1. **Applicability.** The definitions in this section apply to this chapter.

545.19 Subd. 2. **Advisory council.** "Advisory council" means the Spoken Language Health
545.20 Care Interpreter Advisory Council established in section 146C.11.

545.21 Subd. 3. **Code of ethics.** "Code of ethics" means the National Code of Ethics for
545.22 Interpreters in Health Care, as published by the National Council on Interpreting in Health
545.23 Care or its successor, or the International Medical Interpreters Association or its successor.

545.24 Subd. 4. **Commissioner.** "Commissioner" means the commissioner of health.

545.25 Subd. 5. **Common languages.** "Common languages" mean the ten most frequent
545.26 languages without regard to dialect in Minnesota for which interpreters are listed on
545.27 the registry.

545.28 Subd. 6. **Interpreting standards of practice.** "Interpreting standards of practice"
545.29 means the interpreting standards of practice in health care as published by the National
545.30 Council on Interpreting in Health Care or its successor, or the International Medical
545.31 Interpreters Association or its successor.

545.32 Subd. 7. **Registry.** "Registry" means a database of spoken language health care
545.33 interpreters in Minnesota who have met the qualifications described under section 146C.03,
545.34 subdivision 2, 3, 4, or 5, which shall be maintained by the commissioner of health.

546.1 Subd. 8. **Remote interpretation.** "Remote interpretation" means providing spoken
546.2 language interpreting services via a telephone or by video conferencing.

546.3 Subd. 9. **Spoken language health care interpreter or interpreter.** "Spoken
546.4 language health care interpreter" or "interpreter" means an individual who receives
546.5 compensation or other remuneration for providing spoken language interpreter services for
546.6 patients with limited English proficiency within a medical setting either by face-to-face
546.7 interpretation or remote interpretation.

546.8 Subd. 10. **Spoken language interpreting services.** "Spoken language interpreting
546.9 services" means the conversion of one spoken language into another by an interpreter for
546.10 the purpose of facilitating communication between a patient and a health care provider
546.11 who do not share a common spoken language.

546.12 **Sec. 2. [146C.03] REGISTRY.**

546.13 Subdivision 1. **Establishment.** (a) By July 1, 2017, the commissioner of health
546.14 shall establish and maintain a registry for spoken language health care interpreters. The
546.15 registry shall contain four separate tiers based on different qualification standards for
546.16 education and training.

546.17 (b) An individual who wants to be listed on the registry must submit an application
546.18 to the commissioner on a form provided by the commissioner along with all applicable
546.19 fees required under section 146C.13. The form must include the applicant's name; Social
546.20 Security number; business address and telephone number, or home address and telephone
546.21 number if the applicant has a home office; the applicant's employer or the agencies with
546.22 which the applicant is affiliated; the employer's or agencies' addresses and telephone
546.23 numbers; and the languages the applicant is qualified to interpret.

546.24 (c) Upon receipt of the application, the commissioner shall determine if the applicant
546.25 meets the requirements for the applicable registry tier. The commissioner may request
546.26 further information from the applicant if the information provided is not complete or
546.27 accurate. The commissioner shall notify the applicant of action taken on the application,
546.28 and if the application is denied, the grounds for denying the application.

546.29 (d) If the commissioner denies an application, the applicant may apply for a lower
546.30 tier or may reapply for the same tier at a later date. If an applicant applies for a different
546.31 tier or reapplies for the same tier, the applicant must submit with the new application
546.32 the applicable fees under section 146C.13.

546.33 (e) Applicants who qualify for different tiers for different languages shall only be
546.34 required to complete one application and submit with the application the fee associated
546.35 with the highest tier for which the applicant is applying.

547.1 (f) The commissioner may request, as deemed necessary, additional information
547.2 from an applicant to determine or verify qualifications or collect information to manage
547.3 the registry or monitor the field of health care interpreting.

547.4 Subd. 2. **Tier 1 requirements.** The commissioner shall include on the tier 1 registry
547.5 an applicant who meets the following requirements:

547.6 (1) is at least 18 years of age;

547.7 (2) passes an examination approved by the commissioner on basic medical
547.8 terminology in English;

547.9 (3) passes an examination approved by the commissioner on interpreter ethics and
547.10 standards of practice; and

547.11 (4) affirms by signature, including electronic signature, that the applicant has read
547.12 the code of ethics and interpreting standards of practice identified on the registry Web
547.13 site and agrees to abide by them.

547.14 Subd. 3. **Tier 2 requirements.** The commissioner shall include on the tier 2 registry
547.15 an applicant who meets the requirements for tier 1 described under subdivision 2 and who:

547.16 (1) effective July 1, 2017, to June 30, 2018, provides proof of successfully
547.17 completing a training program for medical interpreters approved by the commissioner that
547.18 is, at a minimum, 40 hours in length; or

547.19 (2) effective July 1, 2018, provides proof of successfully completing a training
547.20 program for medical interpreters approved by the commissioner that is equal in length to
547.21 the number of hours required by the Certification Commission for Healthcare Interpreters
547.22 (CCHI) or National Board of Certification for Medical Interpreters (NBCMI) or their
547.23 successors. If the number of hours required by CCHI or its successor and the number of
547.24 hours required by NBCMI or its successor differ, the number of hours required to qualify
547.25 for the registry shall be the greater of the two. A training program of 40 hours or more
547.26 approved by the commissioner and completed prior to July 1, 2017, may count toward the
547.27 number of hours required.

547.28 Subd. 4. **Tier 3 requirements.** The commissioner shall include on the tier 3 registry
547.29 an applicant who meets the requirements for tier 1 described under subdivision 2 and who:

547.30 (1) has a national certification in health care interpreting that does not include a
547.31 performance examination from a certifying organization approved by the commissioner; or

547.32 (2) provides proof of successfully completing an interpreting certification program
547.33 from an accredited United States academic institution approved by the commissioner
547.34 that is, at a minimum, 18 semester credits.

548.1 Subd. 5. **Tier 4 requirements.** (a) The commissioner shall include on the tier 4
548.2 registry an applicant who meets the requirements for tier 1 described under subdivision 2
548.3 and who:

548.4 (1) has a national certification from a certifying organization approved by the
548.5 commissioner in health care interpreting that includes a performance examination in the
548.6 non-English language in which the interpreter is registering to interpret; or

548.7 (2)(i) has an associate's degree or higher in interpreting from an accredited United
548.8 States academic institution. The degree and institution must be approved by the
548.9 commissioner and the degree must include a minimum of three semester credits in medical
548.10 terminology or medical interpreting; and

548.11 (ii) has achieved a score of "advanced mid" or higher on the American Council on
548.12 the Teaching of Foreign Languages Oral Proficiency Interview in a non-English language
548.13 in which the interpreter is registering to interpret.

548.14 (b) The commissioner, in consultation with the advisory council, may approve
548.15 alternative means of meeting oral proficiency requirements for tier 4 for languages
548.16 in which the American Council of Teaching of Foreign Languages Oral Proficiency
548.17 Interview is not available.

548.18 (c) The commissioner, in consultation with the advisory council, may approve a
548.19 degree from an educational institution from a foreign country as meeting the associate's
548.20 degree requirement in paragraph (a), clause (2). The commissioner may assess the
548.21 applicant a fee to cover the cost of foreign credential evaluation services approved by
548.22 the commissioner, in consultation with the advisory council, and any additional steps
548.23 necessary to process the application. Any assessed fee must be paid by the interpreter
548.24 before the interpreter will be registered.

548.25 Subd. 6. **Change of name and address.** Registered spoken language health
548.26 care interpreters who change their name, address, or e-mail address must inform the
548.27 commissioner in writing of the change within 30 days. All notices or other correspondence
548.28 mailed to the interpreter's address or e-mail address on file with the commissioner shall
548.29 be considered as having been received by the interpreter.

548.30 Subd. 7. **Data.** Section 13.41 applies to government data of the commissioner
548.31 on applicants and registered interpreters.

548.32 Sec. 3. **[146C.05] RENEWAL.**

548.33 Subdivision 1. **Registry period.** Listing on the registry is valid for a one-year
548.34 period. To renew inclusion on the registry, an interpreter must submit:

548.35 (1) a renewal application on a form provided by the commissioner;

549.1 (2) a continuing education report on a form provided by the commissioner as
549.2 specified under section 146C.09; and

549.3 (3) the required fees under section 146C.13.

549.4 Subd. 2. **Notice.** (a) Sixty days before the registry expiration date, the commissioner
549.5 shall send out a renewal notice to the spoken language health care interpreter's last known
549.6 address or e-mail address on file with the commissioner. The notice must include an
549.7 application for renewal and the amount of the fee required for renewal. If the interpreter
549.8 does not receive the renewal notice, the interpreter is still required to meet the deadline for
549.9 renewal to qualify for continuous inclusion on the registry.

549.10 (b) An application for renewal must be received by the commissioner or postmarked
549.11 at least 30 calendar days before the registry expiration date.

549.12 Subd. 3. **Late fee.** A renewal application submitted after the renewal deadline
549.13 date must include the late fee specified in section 146C.13. Fees for late renewal shall
549.14 not be prorated.

549.15 Subd. 4. **Lapse in renewal.** An interpreter whose registry listing has been expired
549.16 for a period of one year or longer must submit a new application to be listed on the registry
549.17 instead of a renewal application.

549.18 **Sec. 4. [146C.07] DISCIPLINARY ACTIONS; OVERSIGHT OF COMPLAINTS.**

549.19 Subdivision 1. **Prohibited conduct.** (a) The following conduct is prohibited and is
549.20 grounds for disciplinary or corrective action:

549.21 (1) failure to provide spoken language interpreting services consistent with the
549.22 code of ethics and interpreting standards of practice, or performance of the interpretation
549.23 in an incompetent or negligent manner;

549.24 (2) conviction of a crime, including a finding or verdict of guilt, an admission of
549.25 guilt, or a no-contest plea, in any court in Minnesota or any other jurisdiction in the United
549.26 States, demonstrably related to engaging in spoken language health care interpreter
549.27 services. Conviction includes a conviction for an offense which, if committed in this
549.28 state, would be deemed a felony;

549.29 (3) conviction of violating any state or federal law, rule, or regulation that directly
549.30 relates to the practice of spoken language health care interpreters;

549.31 (4) adjudication as mentally incompetent or as a person who is dangerous to self
549.32 or adjudication pursuant to chapter 253B as chemically dependent, developmentally
549.33 disabled, mentally ill and dangerous to the public, or as a sexual psychopathic personality
549.34 or sexually dangerous person;

549.35 (5) violation or failure to comply with an order issued by the commissioner;

550.1 (6) obtaining money, property, services, or business from a client through the use of
550.2 undue influence, excessive pressure, harassment, duress, deception, or fraud;

550.3 (7) revocation of the interpreter's national certification as a result of disciplinary
550.4 action brought by the national certifying body;

550.5 (8) failure to perform services with reasonable judgment, skill, or safety due to the
550.6 use of alcohol or drugs or other physical or mental impairment;

550.7 (9) engaging in conduct likely to deceive, defraud, or harm the public;

550.8 (10) demonstrating a willful or careless disregard for the health, welfare, or safety
550.9 of a client;

550.10 (11) failure to cooperate with the commissioner or advisory council in an
550.11 investigation or to provide information in response to a request from the commissioner
550.12 or advisory council;

550.13 (12) aiding or abetting another person in violating any provision of this chapter; and

550.14 (13) release or disclosure of a health record in violation of sections 144.291 to
550.15 144.298.

550.16 (b) In disciplinary actions alleging a violation of paragraph (a), clause (2), (3), or
550.17 (4), a copy of the judgment or proceeding under seal of the court administrator, or of the
550.18 administrative agency that entered the same, is admissible into evidence without further
550.19 authentication and constitutes prima facie evidence of its contents.

550.20 Subd. 2. **Complaints.** The commissioner may initiate an investigation upon
550.21 receiving a complaint or other oral or written communication that alleges or implies
550.22 a violation of subdivision 1. In the receipt, investigation, and hearing of a complaint
550.23 that alleges or implies a violation of subdivision 1, the commissioner shall follow the
550.24 procedures in section 214.10.

550.25 Subd. 3. **Disciplinary actions.** If the commissioner finds that an interpreter who is
550.26 listed on the registry has violated any provision of this chapter, the commissioner may
550.27 take any one or more of the following actions:

550.28 (1) remove the interpreter from the registry;

550.29 (2) impose limitations or conditions on the interpreter's practice, impose
550.30 rehabilitation requirements, or require practice under supervision; or

550.31 (3) censure or reprimand the interpreter.

550.32 Subd. 4. **Reinstatement requirements after disciplinary action.** Interpreters
550.33 who have been removed from the registry may request and provide justification for
550.34 reinstatement. The requirements of this chapter for registry renewal and any other
550.35 conditions imposed by the commissioner must be met before the interpreter may be
550.36 reinstated on the registry.

551.1 Sec. 5. **[146C.09] CONTINUING EDUCATION.**

551.2 **Subdivision 1. Course approval.** The advisory council shall approve continuing
551.3 education courses and training. A course that has not been approved by the advisory
551.4 council may be submitted, but may be disapproved by the commissioner. If the course
551.5 is disapproved, it shall not count toward the continuing education requirement. The
551.6 interpreter must complete the following hours of continuing education during each
551.7 one-year registry period:

551.8 (1) for tier 2 interpreters, a minimum of four contact hours of continuing education;
551.9 (2) for tier 3 interpreters, a minimum of six contact hours of continuing education; and
551.10 (3) for tier 4 interpreters, a minimum of eight contact hours of continuing education.
551.11 Contact hours shall be prorated for interpreters who are assigned a registry cycle of
551.12 less than one year.

551.13 **Subd. 2. Continuing education verification.** Each spoken language health care
551.14 interpreter shall submit with a renewal application a continuing education report on a form
551.15 provided by the commissioner that indicates that the interpreter has met the continuing
551.16 education requirements of this section. The form shall include the following information:

551.17 (1) the title of the continuing education activity;
551.18 (2) a brief description of the activity;
551.19 (3) the sponsor, presenter, or author;
551.20 (4) the location and attendance dates;
551.21 (5) the number of contact hours; and
551.22 (6) the interpreter's notarized affirmation that the information is true and correct.

551.23 **Subd. 3. Audit.** The commissioner or advisory council may audit a percentage of
551.24 the continuing education reports based on a random selection.

551.25 Sec. 6. **[146C.11] SPOKEN LANGUAGE HEALTH CARE INTERPRETER**
551.26 **ADVISORY COUNCIL.**

551.27 **Subdivision 1. Establishment.** The commissioner shall appoint 12 members to a
551.28 Spoken Language Health Care Interpreter Advisory Council consisting of the following
551.29 members:

551.30 (1) three members who are interpreters listed on the roster prior to July 1, 2017, or
551.31 on the registry after July 1, 2017, and who are Minnesota residents. Of these members,
551.32 each must be an interpreter for a different language; at least one must have a national
551.33 certification credential; and at least one must have been listed on the roster prior to July 1,
551.34 2017, or on the registry after July 1, 2017, as an interpreter in a language other than the

552.1 common languages and must have completed a training program for medical interpreters
552.2 approved by the commissioner that is, at a minimum, 40 hours in length;

552.3 (2) three members representing limited English proficient (LEP) individuals, of
552.4 these members, two must represent LEP individuals who are proficient in a common
552.5 language and one must represent LEP individuals who are proficient in a language that is
552.6 not one of the common languages;

552.7 (3) one member representing a health plan company;

552.8 (4) one member representing a Minnesota health system who is not an interpreter;

552.9 (5) one member representing an interpreter agency;

552.10 (6) one member representing an interpreter training program or postsecondary
552.11 educational institution program providing interpreter courses or skills assessment;

552.12 (7) one member who is affiliated with a Minnesota-based or Minnesota chapter of a
552.13 national or international organization representing interpreters; and

552.14 (8) one member who is a licensed direct care health provider.

552.15 Subd. 2. **Organization.** The advisory council shall be organized and administered
552.16 under section 15.059.

552.17 Subd. 3. **Duties.** The advisory council shall:

552.18 (1) advise the commissioner on issues relating to interpreting skills, ethics, and
552.19 standards of practice, including reviewing and recommending changes to the examinations
552.20 identified in section 146C.03, subdivision 2, on basic medical terminology in English and
552.21 interpreter ethics and interpreter standards of practice;

552.22 (2) advise the commissioner on recommended changes to accepted spoken language
552.23 health care interpreter qualifications, including degree and training programs and
552.24 performance examinations;

552.25 (3) address barriers for interpreters to gain access to the registry, including barriers
552.26 to interpreters of uncommon languages and interpreters in rural areas;

552.27 (4) advise the commissioner on methods for identifying gaps in interpreter services in
552.28 rural areas and make recommendations to address interpreter training and funding needs;

552.29 (5) inform the commissioner on emerging issues in the spoken language health
552.30 care interpreter field;

552.31 (6) advise the commissioner on training and continuing education programs;

552.32 (7) provide for distribution of information regarding interpreter standards and
552.33 resources to help interpreters qualify for higher registry tier levels;

552.34 (8) make recommendations for necessary statutory changes to Minnesota interpreter
552.35 law;

553.1 (9) compare the annual cost of administering the registry and the annual total
553.2 collection of registration fees and advise the commissioner, if necessary, to recommend an
553.3 adjustment to the registration fees;

553.4 (10) identify barriers to meeting tier requirements and make recommendations to the
553.5 commissioner for addressing these barriers;

553.6 (11) identify and make recommendations to the commissioner for Web distribution
553.7 of patient and provider education materials on working with an interpreter and on reporting
553.8 interpreter behavior as identified in section 146C.07; and

553.9 (12) review and update as necessary the process for determining common languages.

553.10 **Sec. 7. [146C.13] FEES.**

553.11 Subdivision 1. **Fees.** (a) The initial and renewal application fees for interpreters
553.12 listed on the registry shall be established by the commissioner not to exceed \$90.

553.13 (b) The renewal late fee for the registry shall be established by the commissioner
553.14 not to exceed \$30.

553.15 (c) If the commissioner must translate a document to verify whether a foreign degree
553.16 qualifies for registration for tier 4, the commissioner may assess a fee equal to the actual
553.17 cost of translation and additional effort necessary to process the application.

553.18 Subd. 2. **Nonrefundable fees.** The fees in this section are nonrefundable.

553.19 Subd. 3. **Deposit.** Fees received under this chapter shall be deposited in the state
553.20 government special revenue fund.

553.21 **GENETIC COUNSELORS**

553.22 **Sec. 8. [147F.01] DEFINITIONS.**

553.23 Subdivision 1. **Applicability.** For purposes of this chapter, the terms defined in
553.24 this section have the meanings given them.

553.25 Subd. 2. **ABGC.** "ABGC" means the American Board of Genetic Counseling, a
553.26 national agency for certification and recertification of genetic counselors, or its successor
553.27 organization or equivalent.

553.28 Subd. 3. **ABMG.** "ABMG" means the American Board of Medical Genetics,
553.29 a national agency for certification and recertification of genetic counselors, medical
553.30 geneticists, and Ph.D. geneticists, or its successor organization.

553.31 Subd. 4. **ACGC.** "ACGC" means the Accreditation Council for Genetic Counseling,
553.32 a specialized program accreditation board for educational training programs granting
553.33 master's degrees or higher in genetic counseling, or its successor organization.

553.34 Subd. 5. **Board.** "Board" means the Board of Medical Practice.

554.1 Subd. 6. **Eligible status.** "Eligible status" means an applicant who has met the
554.2 requirements and received approval from the ABGC to sit for the certification examination.

554.3 Subd. 7. **Genetic counseling.** "Genetic counseling" means the provision of services
554.4 described in section 147F.03 to help clients and their families understand the medical,
554.5 psychological, and familial implications of genetic contributions to a disease or medical
554.6 condition.

554.7 Subd. 8. **Genetic counselor.** "Genetic counselor" means an individual licensed
554.8 under this chapter to engage in the practice of genetic counseling.

554.9 Subd. 9. **Licensed physician.** "Licensed physician" means an individual who is
554.10 licensed to practice medicine under chapter 147.

554.11 Subd. 10. **NSGC.** "NSGC" means the National Society of Genetic Counselors, a
554.12 professional membership association for genetic counselors that approves continuing
554.13 education programs.

554.14 Subd. 11. **Qualified supervisor.** "Qualified supervisor" means any person who is
554.15 licensed under this chapter as a genetic counselor or a physician licensed under chapter
554.16 147 to practice medicine in Minnesota.

554.17 Subd. 12. **Supervisee.** "Supervisee" means a genetic counselor with a provisional
554.18 license.

554.19 Subd. 13. **Supervision.** "Supervision" means an assessment of the work of the
554.20 supervisee, including regular meetings and file review, by a qualified supervisor according
554.21 to the supervision contract. Supervision does not require the qualified supervisor to be
554.22 present while the supervisee provides services.

554.23 **Sec. 9. [147F.03] SCOPE OF PRACTICE.**

554.24 The practice of genetic counseling by a licensed genetic counselor includes the
554.25 following services:

554.26 (1) obtaining and interpreting individual and family medical and developmental
554.27 histories;

554.28 (2) determining the mode of inheritance and the risk of transmitting genetic
554.29 conditions and birth defects;

554.30 (3) discussing the inheritance, features, natural history, means of diagnosis, and
554.31 management of conditions with clients;

554.32 (4) identifying, coordinating, ordering, and explaining the clinical implications of
554.33 genetic laboratory tests and other laboratory studies;

554.34 (5) assessing psychosocial factors, including social, educational, and cultural issues;

- 555.1 (6) providing client-centered counseling and anticipatory guidance to the client or
555.2 family based on their responses to the condition, risk of occurrence, or risk of recurrence;
555.3 (7) facilitating informed decision-making about testing and management;
555.4 (8) identifying and using community resources that provide medical, educational,
555.5 financial, and psychosocial support and advocacy; and
555.6 (9) providing accurate written medical, genetic, and counseling information for
555.7 families and health care professionals.

555.8 Sec. 10. **[147F.05] UNLICENSED PRACTICE PROHIBITED; PROTECTED**
555.9 **TITLES AND RESTRICTIONS ON USE.**

555.10 Subdivision 1. **Protected titles.** No individual may use the title "genetic counselor,"
555.11 "licensed genetic counselor," "gene counselor," "genetic consultant," "genetic assistant,"
555.12 "genetic associate," or any words, letters, abbreviations, or insignia indicating or implying
555.13 that the individual is eligible for licensure by the state as a genetic counselor unless the
555.14 individual has been licensed as a genetic counselor according to this chapter.

555.15 Subd. 2. **Unlicensed practice prohibited.** Effective January 1, 2018, no individual
555.16 may practice genetic counseling unless the individual is licensed as a genetic counselor
555.17 under this chapter except as otherwise provided under this chapter.

555.18 Subd. 3. **Other practitioners.** (a) Nothing in this chapter shall be construed to
555.19 prohibit or restrict the practice of any profession or occupation licensed or registered by the
555.20 state by an individual duly licensed or registered to practice the profession or occupation
555.21 or to perform any act that falls within the scope of practice of the profession or occupation.

555.22 (b) Nothing in this chapter shall be construed to require a license under this chapter
555.23 for:

555.24 (1) an individual employed as a genetic counselor by the federal government or a
555.25 federal agency if the individual is providing services under the direction and control of
555.26 the employer;

555.27 (2) a student or intern, having graduated within the past six months, or currently
555.28 enrolled in an ACGC-accredited genetic counseling educational program providing
555.29 genetic counseling services that are an integral part of the student's or intern's course
555.30 of study, are performed under the direct supervision of a licensed genetic counselor or
555.31 physician who is on duty in the assigned patient care area, and the student is identified by
555.32 the title "genetic counseling intern";

555.33 (3) a visiting ABGC- or ABMG-certified genetic counselor working as a consultant
555.34 in this state who permanently resides outside of the state, or the occasional use of services
555.35 from organizations from outside of the state that employ ABGC- or ABMG-certified

556.1 genetic counselors. This is limited to practicing for 30 days total within one calendar year.
556.2 Certified genetic counselors from outside of the state working as a consultant in this state
556.3 must be licensed in their state of residence if that credential is available; or

556.4 (4) an individual who is licensed to practice medicine under chapter 147.

556.5 Subd. 4. **Sanctions.** An individual who violates this section is guilty of a
556.6 misdemeanor and shall be subject to sanctions or actions according to section 214.11.

556.7 Sec. 11. **[147F.07] LICENSURE REQUIREMENTS.**

556.8 Subdivision 1. **General requirements for licensure.** To be eligible for licensure, an
556.9 applicant, with the exception of those seeking licensure by reciprocity under subdivision
556.10 2, must submit to the board:

556.11 (1) a completed application on forms provided by the board along with all fees
556.12 required under section 147F.17. The applicant must include:

556.13 (i) the applicant's name, Social Security number, home address and telephone
556.14 number, and business address and telephone number if currently employed;

556.15 (ii) the name and location of the genetic counseling or medical program the applicant
556.16 completed;

556.17 (iii) a list of degrees received from other educational institutions;

556.18 (iv) a description of the applicant's professional training;

556.19 (v) a list of registrations, certifications, and licenses held in other jurisdictions;

556.20 (vi) a description of any other jurisdiction's refusal to credential the applicant;

556.21 (vii) a description of all professional disciplinary actions initiated against the
556.22 applicant in any jurisdiction; and

556.23 (viii) any history of drug or alcohol abuse, and any misdemeanor, gross
556.24 misdemeanor, or felony conviction;

556.25 (2) evidence of graduation from an education program accredited by the ACGC or
556.26 its predecessor or successor organization;

556.27 (3) a verified copy of a valid and current certification issued by the ABGC or ABMG
556.28 as a certified genetic counselor, or by the ABMG as a certified medical geneticist;

556.29 (4) additional information as requested by the board, including any additional
556.30 information necessary to ensure that the applicant is able to practice with reasonable skill
556.31 and safety to the public;

556.32 (5) a signed statement verifying that the information in the application is true and
556.33 correct to the best of the applicant's knowledge and belief; and

557.1 (6) a signed waiver authorizing the board to obtain access to the applicant's records
557.2 in this or any other state in which the applicant completed an educational program or
557.3 engaged in the practice of genetic counseling.

557.4 Subd. 2. **Licensure by reciprocity.** To be eligible for licensure by reciprocity,
557.5 the applicant must hold a current genetic counselor or medical geneticist registration
557.6 or license in another state, the District of Columbia, or a territory of the United States,
557.7 whose standards for registration or licensure are at least equivalent to those of Minnesota,
557.8 and must:

557.9 (1) submit the application materials and fees as required by subdivision 1, clauses
557.10 (1), (2), and (4) to (6);

557.11 (2) provide a verified copy from the appropriate government body of a current
557.12 registration or license for the practice of genetic counseling in another jurisdiction that has
557.13 initial registration or licensing requirements equivalent to or higher than the requirements
557.14 in subdivision 1; and

557.15 (3) provide letters of verification from the appropriate government body in each
557.16 jurisdiction in which the applicant holds a registration or license. Each letter must state
557.17 the applicant's name, date of birth, registration or license number, date of issuance, a
557.18 statement regarding disciplinary actions, if any, taken against the applicant, and the terms
557.19 under which the registration or license was issued.

557.20 Subd. 3. **Licensure by equivalency.** (a) The board may grant a license to an
557.21 individual who does not meet the certification requirements in subdivision 1 but who
557.22 has been employed as a genetic counselor for a minimum of ten years and provides the
557.23 following documentation to the board no later than January 1, 2018:

557.24 (1) proof of a master's or higher degree in genetics or related field of study from an
557.25 accredited educational institution;

557.26 (2) proof that the individual has never failed the ABGC or ABMG certification
557.27 examination;

557.28 (3) three letters of recommendation, with at least one from an individual eligible
557.29 for licensure under this chapter, and at least one from an individual certified as a genetic
557.30 counselor by the ABGC or ABMG or an individual certified as a medical geneticist by
557.31 the ABMG. An individual who submits a letter of recommendation must have worked
557.32 with the applicant in an employment setting during the past ten years and must attest to
557.33 the applicant's competency; and

557.34 (4) documentation of the completion of 100 hours of NSGC-approved continuing
557.35 education credits within the past five years.

557.36 (b) This subdivision expires January 1, 2018.

558.1 Subd. 4. **License expiration.** A genetic counselor license shall be valid for one
558.2 year from the date of issuance.

558.3 Subd. 5. **License renewal.** To be eligible for license renewal, a licensed genetic
558.4 counselor must submit to the board:

558.5 (1) a renewal application on a form provided by the board;

558.6 (2) the renewal fee required under section 147F.17;

558.7 (3) evidence of compliance with the continuing education requirements in section
558.8 147F.11; and

558.9 (4) any additional information requested by the board.

558.10 Sec. 12. **[147F.09] BOARD ACTION ON APPLICATIONS FOR LICENSURE.**

558.11 (a) The board shall act on each application for licensure according to paragraphs
558.12 (b) to (d).

558.13 (b) The board shall determine if the applicant meets the requirements for licensure
558.14 under section 147F.07. The board may investigate information provided by an applicant to
558.15 determine whether the information is accurate and complete.

558.16 (c) The board shall notify each applicant in writing of action taken on the application,
558.17 the grounds for denying licensure if a license is denied, and the applicant's right to review
558.18 the board's decision under paragraph (d).

558.19 (d) Applicants denied licensure may make a written request to the board, within 30
558.20 days of the board's notice, to appear before the advisory council and for the advisory
558.21 council to review the board's decision to deny the applicant's license. After reviewing the
558.22 denial, the advisory council shall make a recommendation to the board as to whether
558.23 the denial shall be affirmed. Each applicant is allowed only one request for review per
558.24 licensure period.

558.25 Sec. 13. **[147F.11] CONTINUING EDUCATION REQUIREMENTS.**

558.26 (a) A licensed genetic counselor must complete a minimum of 25 hours of NSGC-
558.27 or ABMG-approved continuing education units every two years. If a licensee's renewal
558.28 term is prorated to be more or less than one year, the required number of continuing
558.29 education units is prorated proportionately.

558.30 (b) The board may grant a variance to the continuing education requirements
558.31 specified in this section if a licensee demonstrates to the satisfaction of the board that the
558.32 licensee is unable to complete the required number of educational units during the renewal
558.33 term. The board may allow the licensee to complete the required number of continuing

559.1 education units within a time frame specified by the board. In no case shall the board
559.2 allow the licensee to complete less than the required number of continuing education units.

559.3 Sec. 14. **[147F.13] DISCIPLINE; REPORTING.**

559.4 For purposes of this chapter, licensed genetic counselors and applicants are subject
559.5 to sections 147.091 to 147.162.

559.6 Sec. 15. **[147F.15] LICENSED GENETIC COUNSELOR ADVISORY COUNCIL.**

559.7 Subdivision 1. **Membership.** The board shall appoint a five-member Licensed
559.8 Genetic Counselor Advisory Council. One member must be a licensed physician with
559.9 experience in genetics, three members must be licensed genetic counselors, and one
559.10 member must be a public member.

559.11 Subd. 2. **Organization.** The advisory council shall be organized and administered
559.12 under section 15.059, except that section 15.059, subdivision 2, does not apply to this
559.13 section. Members shall serve two-year terms, and shall serve until their successors have
559.14 been appointed. The council shall select a chair from its membership.

559.15 Subd. 3. **Duties.** The advisory council shall:

559.16 (1) advise the board regarding standards for licensed genetic counselors;

559.17 (2) provide for distribution of information regarding licensed genetic counselor
559.18 practice standards;

559.19 (3) advise the board on enforcement of this chapter;

559.20 (4) review applications and recommend granting or denying licensure or license
559.21 renewal;

559.22 (5) advise the board on issues related to receiving and investigating complaints,
559.23 conducting hearings, and imposing disciplinary action in relation to complaints against
559.24 licensed genetic counselors; and

559.25 (6) perform other duties authorized for advisory councils under chapter 214, as
559.26 directed by the board.

559.27 Subd. 4. **Expiration.** Notwithstanding section 15.059, the advisory council does
559.28 not expire.

559.29 Sec. 16. **[147F.17] FEES.**

559.30 Subdivision 1. **Fees.** Fees are as follows:

559.31 (1) license application fee, \$200;

559.32 (2) initial licensure and annual renewal, \$150; and

559.33 (3) late fee, \$75.

560.1 Subd. 2. **Proration of fees.** The board may prorate the initial license fee. All
560.2 licensees are required to pay the full fee upon license renewal.

560.3 Subd. 3. **Penalty for late renewals.** An application for registration renewal
560.4 submitted after the deadline must be accompanied by a late fee in addition to the required
560.5 fees.

560.6 Subd. 4. **Nonrefundable fees.** All fees are nonrefundable.

560.7 Subd. 5. **Deposit.** Fees collected by the board under this section shall be deposited
560.8 in the state government special revenue fund.

560.9 **LACTATION CARE PROVIDERS**

560.10 Sec. 17. **[148.9801] SCOPE AND APPLICATION.**

560.11 Subdivision 1. **Scope.** Sections 148.9801 to 148.9812 apply to persons who are
560.12 applicants for licensure, who are licensed, who use protected titles, or who represent that
560.13 they are licensed under sections 148.9801 to 148.9812.

560.14 Subd. 2. **Application.** Nothing in sections 148.9801 to 148.9812 shall prohibit any
560.15 person from providing breastfeeding education and support services, whether or not that
560.16 person is licensed under sections 148.9801 to 148.9812.

560.17 Sec. 18. **[148.9802] DEFINITIONS.**

560.18 Subdivision 1. **Application.** For purposes of sections 148.9801 to 148.9812, the
560.19 following terms have the meanings given.

560.20 Subd. 2. **Biennial licensure period.** "Biennial licensure period" means the two-year
560.21 period for which licensure is effective.

560.22 Subd. 3. **Breastfeeding education and support services.** "Breastfeeding
560.23 education and support services" refers to services such as educating women, families,
560.24 health professionals, and the community about the impact of breastfeeding and human
560.25 lactation on health and what to expect in the normal course of breastfeeding; facilitating
560.26 the development of policies that protect, promote, and support breastfeeding; acting as
560.27 an advocate for breastfeeding as the child-feeding norm; providing holistic breastfeeding
560.28 support, encouragement, and care from preconception to weaning in order to help women
560.29 and their families meet their breastfeeding goals; using principles of adult education when
560.30 teaching clients, health care providers, and others in the community; and identifying and
560.31 referring high-risk mothers and babies and those requiring clinical treatment to licensed
560.32 providers. Any individual, with or without a license, may provide breastfeeding education
560.33 and support services.

561.1 Subd. 4. **Certified lactation counselor, advanced lactation consultant, or**
561.2 **advanced nurse lactation consultant.** "Certified lactation counselor, advanced lactation
561.3 consultant, or advanced nurse lactation consultant" means an individual who possesses
561.4 certification from the Academy of Lactation Policy and Practice of the Healthy Children
561.5 Project, Inc.

561.6 Subd. 5. **Clinical lactation services.** "Clinical lactation services" refers to the
561.7 clinical application of evidence-based practices for evaluation, problem identification,
561.8 treatment, education, and consultation in providing lactation care and services to
561.9 childbearing families. Clinical lactation services involves one or more of the following
561.10 activities: lactation assessment through the systematic collection of data; analysis of data;
561.11 creation of lactation care plans; implementation of lactation care plans, including but not
561.12 limited to providing demonstration and instruction to parents and communicating with
561.13 the primary health care provider; evaluation of outcomes; and recommending the use of
561.14 assistive devices when appropriate. Individuals who provide one or more of the services
561.15 listed in this subdivision are providing clinical lactation services.

561.16 Subd. 6. **Commissioner.** "Commissioner" means the commissioner of health or a
561.17 designee.

561.18 Subd. 7. **Credential.** "Credential" means a license, permit, certification, registration,
561.19 or other evidence of qualification or authorization to engage in the practice of clinical
561.20 lactation care services issued by any authority.

561.21 Subd. 8. **International Board-Certified Lactation Consultant.** "International
561.22 Board-Certified Lactation Consultant" means an individual who possesses certification
561.23 from the International Board of Lactation Consultant Examiners as accredited by the
561.24 National Commission for Certifying Agencies.

561.25 Subd. 9. **License or licensed.** "License" or "licensed" means the act or status of a
561.26 natural person who meets the requirements of sections 148.9801 to 148.9812.

561.27 Subd. 10. **Licensed lactation care provider.** "Licensed lactation care provider"
561.28 means an individual who meets the requirements of sections 148.9801 to 148.9812, is
561.29 licensed by the commissioner, and is permitted to provide clinical lactation services and
561.30 use the titles authorized in this section and section 148.9803.

561.31 Subd. 11. **Licensee.** "Licensee" means a person who meets the requirements of
561.32 sections 148.9801 to 148.9812.

561.33 Subd. 12. **Licensure by equivalency.** "Licensure by equivalency" means a method
561.34 of licensure described in section 148.9806, subdivision 2, by which an individual who
561.35 possesses a credential from the International Board of Lactation Consultant Examiners
561.36 as accredited by the National Commission for Certifying Agencies, from the Academy

562.1 of Lactation Policy and Practice of the Healthy Children Project, Inc., or from another
562.2 nationally recognized credentialing agency may qualify for licensure.

562.3 Subd. 13. **Licensure by reciprocity.** "Licensure by reciprocity" means a method
562.4 of licensure described in section 148.9806, subdivision 3, by which an individual who
562.5 possesses a credential from another jurisdiction may qualify for Minnesota licensure.

562.6 Subd. 14. **Protected title.** "Protected title" means the title of licensed lactation
562.7 consultant, licensed certified lactation counselor, licensed advanced lactation consultant,
562.8 licensed advanced nurse lactation consultant, or licensed International Board-Certified
562.9 Lactation Consultant.

562.10 Sec. 19. **[148.9803] LICENSURE; PROTECTED TITLES AND RESTRICTIONS**
562.11 **ON USE; EXEMPT PERSONS; SANCTIONS.**

562.12 Subdivision 1. **Unlicensed practice prohibited.** Effective July 1, 2017, no person
562.13 shall engage in the practice of clinical lactation services unless the person is licensed as a
562.14 lactation care provider in accordance with sections 148.9801 to 148.9812.

562.15 Subd. 2. **Protected titles and restrictions on use.** (a) The terms or phrases "licensed
562.16 International Board-Certified Lactation Consultant" or "licensed lactation consultant"
562.17 alone or in combination can only be used by an individual licensed under sections 148.9801
562.18 to 148.9812 and who possesses a credential from the International Board of Lactation
562.19 Consultant Examiners as accredited by the National Commission for Certifying Agencies.

562.20 (b) The terms or phrases "licensed certified lactation counselor," "certified lactation
562.21 counselor," "licensed advanced lactation consultant," "advanced lactation consultant,"
562.22 "licensed advanced nurse lactation consultant," "advanced nurse lactation consultant,"
562.23 "licensed lactation counselor," or "licensed lactation consultant" alone or in combination
562.24 can only be used by an individual licensed under sections 148.9801 to 148.9812 and who
562.25 possesses a credential from the Academy of Lactation Policy and Practice of the Healthy
562.26 Children Project, Inc.

562.27 Subd. 3. **Exempt persons.** This section does not apply to:

562.28 (1) a person employed as a lactation consultant or lactation counselor by the
562.29 government of the United States or any agency of it. However, use of the protected titles
562.30 under those circumstances is allowed only in connection with performance of official
562.31 duties for the federal government;

562.32 (2) a student participating in supervised fieldwork or supervised coursework that
562.33 is necessary to meet the requirements of sections 148.9801 to 148.9812 if the student is
562.34 designated by a title which clearly indicates the student's status as a student trainee. Any

563.1 use of the protected titles under these circumstances is allowed only while the person is
563.2 performing the duties of the supervised fieldwork or supervised coursework;

563.3 (3) a person visiting and then leaving the state and performing clinical lactation
563.4 services while in the state if the services are performed no more than 30 days in a calendar
563.5 year as part of a professional activity that is limited in scope and duration and is in
563.6 association with a licensed lactation care provider licensed under sections 148.9801 to
563.7 148.9812, and:

563.8 (i) the person is credentialed under the law of another state which has credentialing
563.9 requirements at least as stringent as the requirements of sections 148.9801 to 148.9812;

563.10 (ii) the person meets the requirements for certification as an International
563.11 Board-Certified Lactation Consultant established by the International Board of Lactation
563.12 Consultant Examiners as accredited by the National Commission for Certifying Agencies;
563.13 or

563.14 (iii) the person is certified as a certified lactation counselor, advanced lactation
563.15 consultant, or advanced nurse lactation consultant by the Academy of Lactation Policy
563.16 and Practice of the Healthy Children Project, Inc.;

563.17 (4) a person licensed to practice as a dentist under chapter 150A, physician or
563.18 osteopath under chapter 147, nurse under sections 148.171 to 148.285, physician assistant
563.19 under chapter 147A, dietitian under sections 148.621 to 148.634, or midwife under chapter
563.20 147D, when providing clinical lactation services incidental to the practice of the person's
563.21 profession, except the person shall not use the protected titles;

563.22 (5) an employee of a department, agency, or division of state, county, or local
563.23 government, when providing clinical lactation services within the discharge of the
563.24 employee's official duties including, but not limited to, peer counselors in the Special
563.25 Supplemental Nutrition Program for Women, Infants, and Children; or

563.26 (6) a volunteer providing clinical lactation services, if:

563.27 (i) the volunteer does not use the protected titles or represent that the volunteer is
563.28 licensed or has the clinical skills and abilities associated with licensure;

563.29 (ii) the volunteer service is performed at no cost, with no fee charged to or payment,
563.30 monetary or otherwise, provided by the individual or group served; and

563.31 (iii) the volunteer receives no compensation, monetary or otherwise, except for
563.32 administrative expenses including, but not limited to, mileage.

563.33 Subd. 4. **Sanctions.** A person who practices clinical lactation services or represents
563.34 that they are a licensed lactation care provider by or through the use of any title described
563.35 in subdivision 2 without prior licensure according to sections 148.9801 to 148.9812

564.1 is subject to sanctions or action against continuing the activity according to section
564.2 148.9804, chapter 214, or other statutory authority.

564.3 Subd. 5. **Exemption.** Nothing in sections 148.9801 to 148.9812 shall prohibit the
564.4 practice of any profession or occupation, licensed or registered by the state, by any person
564.5 duly licensed or registered to practice the profession or occupation or to perform any act
564.6 that falls within the scope of practice of the profession or occupation.

564.7 Sec. 20. **[148.9804] PENALTY.**

564.8 If the commissioner finds that a licensed lactation care provider has violated
564.9 the provisions of sections 148.9801 to 148.9812 or rules adopted under those sections,
564.10 the commissioner may impose a civil penalty not exceeding \$10,000 for each separate
564.11 violation. The amount of the civil penalty shall be fixed so as to deprive the licensed
564.12 lactation care provider of any economic advantage gained by reason of the violation
564.13 charged, to discourage similar violations, and to reimburse the commissioner for the cost
564.14 of the investigation and proceeding, including, but not limited to: fees paid for services
564.15 provided by the Office of Administrative Hearings, legal and investigative services
564.16 provided by the Office of the Attorney General, services of court reporters, witnesses, and
564.17 reproduction of records.

564.18 Sec. 21. **[148.9806] APPLICATION REQUIREMENTS; PROCEDURE.**

564.19 Subdivision 1. **Application for licensure.** An applicant for licensure must:

564.20 (1) have a current certification from the International Board of Lactation Consultant
564.21 Examiners as accredited by the National Commission for Certifying Agencies, the
564.22 Academy of Lactation Policy and Practice of the Healthy Children Project, Inc., or another
564.23 jurisdiction whose standards for credentialing are determined by the commissioner to be
564.24 equivalent to or exceed the requirements for licensure under subdivision 2;

564.25 (2) submit a completed application for licensure on forms provided by the
564.26 commissioner and supply the information requested on the application, including:

564.27 (i) the applicant's name, business address, business telephone number, business
564.28 setting, and daytime telephone number;

564.29 (ii) a description of the applicant's education and training, including a list of degrees
564.30 received from educational institutions;

564.31 (iii) the applicant's work history for the six years preceding the application, including
564.32 the number of hours worked;

564.33 (iv) a list of all lactation consulting credentials currently and previously held in
564.34 Minnesota and other jurisdictions;

- 565.1 (v) a description of any jurisdiction's refusal to credential the applicant;
565.2 (vi) a description of all professional disciplinary actions initiated against the
565.3 applicant in any jurisdiction;
565.4 (vii) information on any physical or mental condition or chemical dependency
565.5 that impairs the applicant's ability to provide clinical lactation services with reasonable
565.6 judgment or safety;
565.7 (viii) a description of any misdemeanor, gross misdemeanor, or felony conviction
565.8 that is reasonably related to the practice of clinical lactation services; and
565.9 (ix) a description of any state or federal court order, including a conciliation court
565.10 order or a disciplinary order, related to the individual's clinical lactation services practice;
565.11 (3) submit with the application all fees required by section 148.9811;
565.12 (4) sign a statement that the information in the application is true and correct to the
565.13 best of the applicant's knowledge and belief;
565.14 (5) sign a waiver authorizing the commissioner to obtain access to the applicant's
565.15 records in this or any other state in which the applicant holds or previously held a
565.16 credential for the practice of an occupation, completed a clinical lactation services
565.17 education program, or engaged in the practice of clinical lactation services;
565.18 (6) within 30 days of a request, submit additional information as requested by the
565.19 commissioner to clarify information in the application, including information to determine
565.20 whether the individual has engaged in conduct warranting disciplinary action under
565.21 section 148.9812; and
565.22 (7) submit the additional information required for licensure by equivalency or
565.23 licensure by reciprocity.
- 565.24 Subd. 2. **Credentialed applicants.** An applicant who is credentialed by the
565.25 International Board of Lactation Consultant Examiners as accredited by the National
565.26 Commission for Certifying Agencies as an International Board-Certified Lactation
565.27 Consultant or an applicant who is credentialed by the Academy of Lactation Policy and
565.28 Practice of the Healthy Children Project, Inc. may be eligible for licensure by equivalency
565.29 as a licensed lactation care provider. Nothing in this section limits the commissioner's
565.30 authority to deny licensure based upon the grounds for discipline in section 148.9812.
565.31 Applicants under this subdivision must provide the materials required in subdivision
565.32 1 and must also provide:
- 565.33 (1) verified documentation from the International Board of Lactation Consultant
565.34 Examiners stating that the applicant is credentialed as an International Board-Certified
565.35 Lactation Consultant, or verified documentation from the Academy of Lactation Policy
565.36 and Practice of the Healthy Children Project, Inc., that the applicant is credentialed as a

566.1 certified lactation counselor, advanced lactation consultant, or advanced nurse lactation
566.2 consultant. The applicant is responsible for obtaining this documentation; and

566.3 (2) a waiver authorizing the commissioner to obtain access to the applicant's records
566.4 maintained by the International Board of Lactation Consultant Examiners or the Academy
566.5 of Lactation Policy and Practice of the Healthy Children Project, Inc.

566.6 Subd. 3. **Applicants credentialed in another jurisdiction.** (a) An applicant
566.7 who holds a current credential as a licensed lactation consultant, licensed lactation care
566.8 provider, or licensed lactation counselor in the District of Columbia or a state or territory
566.9 of the United States whose standards for credentialing are determined by the commissioner
566.10 to be equivalent to or exceed the requirements for licensure under subdivision 2, may be
566.11 eligible for licensure by reciprocity as a licensed lactation care provider. Nothing in this
566.12 section limits the commissioner's authority to deny licensure based upon the grounds for
566.13 discipline in section 148.9812.

566.14 (b) Applicants under this subdivision must provide the materials required in
566.15 subdivision 1 and must also request that the appropriate government body in each
566.16 jurisdiction in which the applicant holds or held credentials as a licensed lactation care
566.17 provider or substantially similar title send a letter to the commissioner verifying the
566.18 applicant's credentials. A license shall not be issued until the commissioner receives a
566.19 letter verifying each of the applicant's credentials. Each letter must include the applicant's
566.20 name and date of birth, credential number and date of issuance, a statement regarding
566.21 investigations pending and disciplinary actions taken or pending against the applicant,
566.22 current status of the credential, and the terms under which the credential was issued.

566.23 Subd. 4. **Action on applications for licensure.** (a) The commissioner shall
566.24 approve, approve with conditions, or deny licensure. The commissioner shall act on an
566.25 application for licensure according to paragraphs (b) to (d).

566.26 (b) The commissioner shall determine if the applicant meets the requirements for
566.27 licensure. The commissioner may investigate information provided by an applicant to
566.28 determine whether the information is accurate and complete.

566.29 (c) The commissioner shall notify an applicant of action taken on the application
566.30 and, if licensure is denied or approved with conditions, the grounds for the commissioner's
566.31 determination.

566.32 (d) An applicant denied licensure or granted licensure with conditions may make
566.33 a written request to the commissioner, within 30 days of the date of the commissioner's
566.34 determination, for reconsideration of the commissioner's determination. Individuals
566.35 requesting reconsideration may submit information which the applicant wants considered
566.36 in the reconsideration. After reconsideration of the commissioner's determination to deny

567.1 licensure or grant licensure with conditions, the commissioner shall determine whether
567.2 the original determination should be affirmed or modified. An applicant is allowed no
567.3 more than one request in any one biennial licensure period for reconsideration of the
567.4 commissioner's determination to deny licensure or approve licensure with conditions.

567.5 Sec. 22. **[148.9807] LICENSURE RENEWAL.**

567.6 Subdivision 1. **Renewal requirements.** To be eligible for licensure renewal, a
567.7 licensee must:

567.8 (1) submit a completed and signed application for licensure renewal on forms
567.9 provided by the commissioner;

567.10 (2) submit the renewal fee required under section 148.9811;

567.11 (3) submit proof that the licensee is currently credentialed by the International
567.12 Board of Lactation Consultant Examiners as accredited by the National Commission
567.13 for Certifying Agencies, the Academy of Lactation Policy and Practice of the Healthy
567.14 Children Project, Inc., or another jurisdiction as described in section 148.9806; and

567.15 (4) submit additional information as requested by the commissioner to clarify
567.16 information presented in the renewal application. The information must be submitted
567.17 within 30 days after the commissioner's request.

567.18 Subd. 2. **Renewal deadline.** (a) Except as provided in paragraph (c), licenses must
567.19 be renewed every two years. Licensees must comply with the procedures in paragraphs
567.20 (b) to (e).

567.21 (b) Each license must state an expiration date. An application for licensure renewal
567.22 must be received by the Department of Health at least 30 calendar days before the
567.23 expiration date.

567.24 (c) If the commissioner changes the renewal schedule and the new expiration date is
567.25 less than two years in the future, the fee to be reported at the next renewal must be prorated.

567.26 (d) An application for licensure renewal not received within the time required under
567.27 paragraph (b), but received on or before the expiration date, must be accompanied by a
567.28 late fee in addition to the renewal fee specified in section 148.9811.

567.29 (e) Licensure renewals received after the expiration date shall not be accepted and
567.30 persons seeking licensed status must comply with the requirements of section 148.9808.

567.31 Subd. 3. **Licensure renewal notice.** At least 60 calendar days before the expiration
567.32 date in subdivision 2, the commissioner shall notify the licensee. The notice must include
567.33 an application for licensure renewal and notice of fees required for renewal. The licensee's
567.34 failure to receive notice does not relieve the licensee of the obligation to meet the renewal
567.35 deadline and other requirements for licensure renewal.

568.1 Sec. 23. **[148.9808] LICENSURE RENEWAL; AFTER EXPIRATION DATE.**

568.2 An individual whose application for licensure renewal is received after the licensure
568.3 expiration date must submit the following:

568.4 (1) a completed and signed application for licensure following lapse in licensed
568.5 status on forms provided by the commissioner;

568.6 (2) the renewal fee and the late fee required under section 148.9811;

568.7 (3) proof that the licensee is currently credentialed by the International Board of
568.8 Lactation Consultant Examiners, the Academy of Lactation Policy and Practice of the
568.9 Healthy Children Project, Inc., or another jurisdiction as described in section 148.9806; and

568.10 (4) additional information as requested by the commissioner to clarify information in
568.11 the application, including information to determine whether the individual has engaged in
568.12 conduct warranting disciplinary action as set forth in section 148.9812. This information
568.13 must be submitted within 30 days after the commissioner's request.

568.14 Sec. 24. **[148.9809] CHANGE OF NAME, ADDRESS, OR EMPLOYMENT.**

568.15 A licensee who changes a name, address, or employment must inform the
568.16 commissioner, in writing, of the change of name, address, employment, business address,
568.17 or business telephone number within 30 days. A change in name must be accompanied by
568.18 a copy of a marriage certificate or court order. All notices or other correspondence mailed
568.19 to or served on a licensee by the commissioner at the licensee's address on file with the
568.20 commissioner shall be considered as having been received by the licensee.

568.21 Sec. 25. **[148.9810] RECIPIENT NOTIFICATION.**

568.22 Subdivision 1. **Required notification.** In the absence of a physician referral or
568.23 prior authorization, and before providing clinical lactation services for remuneration or
568.24 expectation of payment from the client, a licensed lactation care provider must provide the
568.25 following written notification in all capital letters of 12-point or larger boldface type to the
568.26 client, parent, or guardian: "YOUR HEALTH CARE PROVIDER, INSURER, OR PLAN
568.27 MAY REQUIRE A PHYSICIAN REFERRAL OR PRIOR AUTHORIZATION AND
568.28 YOU MAY BE OBLIGATED FOR PARTIAL OR FULL PAYMENT FOR CLINICAL
568.29 LACTATION SERVICES RENDERED." Information other than this notification may be
568.30 included as long as the notification remains conspicuous on the face of the document. A
568.31 nonwritten disclosure format may be used to satisfy the recipient notification requirement
568.32 when necessary to accommodate the physical condition of a client or client's guardian.

569.1 Subd. 2. **Evidence of recipient notification.** The licensed lactation care provider
569.2 is responsible for providing evidence of compliance with the recipient notification
569.3 requirement of this section.

569.4 **Sec. 26. [148.9811] FEES.**

569.5 Subdivision 1. **Initial licensure fee.** The initial licensure fee for licensed lactation
569.6 care providers is \$80. The commissioner shall prorate fees based on the number of
569.7 quarters remaining in the biennial licensure period.

569.8 Subd. 2. **Licensure renewal fee.** The biennial licensure renewal fee for licensed
569.9 lactation care providers is \$80.

569.10 Subd. 3. **Duplicate license fee.** The fee for a duplicate license is \$25.

569.11 Subd. 4. **Late fee.** The fee for late submission of a renewal application is \$25.

569.12 Subd. 5. **Verification to other states.** The fee for verification of licensure to other
569.13 states is \$25.

569.14 Subd. 6. **Use of fees.** All fees are nonrefundable. Fees collected under this section
569.15 shall be deposited in the state treasury and credited to the state government special revenue
569.16 fund for the purposes of administering sections 148.9801 to 148.9812.

569.17 Subd. 7. **Penalty fee.** (a) The penalty for using one of the protected titles without a
569.18 current license after the credential has expired and before it is renewed is the amount of
569.19 the license renewal fee for any part of the first month, plus the license renewal fee for any
569.20 part of any subsequent month up to 36 months.

569.21 (b) The penalty for applicants who use the protected title of licensed lactation care
569.22 provider before being issued a license is the amount of the license application fee for any
569.23 part of the first month, plus the license application fee for any part of any subsequent
569.24 month up to 36 months.

569.25 (c) For conduct described in paragraph (a) or (b) exceeding six months, payment of a
569.26 penalty does not preclude any disciplinary action reasonably justified by the individual case.

569.27 **Sec. 27. [148.9812] GROUNDS FOR DISCIPLINE OR DENIAL OF**
569.28 **LICENSURE; INVESTIGATION PROCEDURES; DISCIPLINARY ACTIONS.**

569.29 Subdivision 1. **Grounds for discipline or denial of licensure.** The commissioner
569.30 may deny an application for licensure, may approve licensure with conditions, or may
569.31 discipline a licensee using any disciplinary action listed in subdivision 3 on proof that
569.32 the individual has:

569.33 (1) intentionally submitted false or misleading information to the commissioner;

- 570.1 (2) failed, within 30 days, to provide information in response to a written request by
570.2 the commissioner;
- 570.3 (3) performed services of a licensed lactation care provider in an incompetent
570.4 manner, in a manner that is outside of the provider's scope of practice, or in a manner that
570.5 falls below the community standard of care;
- 570.6 (4) violated a provision of sections 148.9801 to 148.9812;
- 570.7 (5) aided or abetted another person in violating a provision of sections 148.9801 to
570.8 148.9812;
- 570.9 (6) failed to perform services with reasonable judgment, skill, or safety due to the
570.10 use of alcohol or drugs, or other physical or mental impairment;
- 570.11 (7) been convicted of violating any state or federal law, rule, or regulation which
570.12 directly relates to the practice of clinical lactation services;
- 570.13 (8) been disciplined for conduct in the practice of an occupation by the state of
570.14 Minnesota, another jurisdiction, or a national professional association, if any of the
570.15 grounds for discipline are the same or substantially equivalent to those in sections
570.16 148.9801 to 148.9812;
- 570.17 (9) not cooperated with the commissioner in an investigation conducted according to
570.18 subdivision 2;
- 570.19 (10) advertised in a manner that is false or misleading;
- 570.20 (11) engaged in dishonest, unethical, or unprofessional conduct in connection with the
570.21 practice of clinical lactation services that is likely to deceive, defraud, or harm the public;
- 570.22 (12) demonstrated a willful or careless disregard for the health, welfare, or safety
570.23 of a client;
- 570.24 (13) performed medical diagnosis or provided treatment without being licensed to
570.25 do so under the laws of this state;
- 570.26 (14) paid or promised to pay a commission or part of a fee to any person who
570.27 contacts the licensed lactation care provider for consultation or sends patients to the
570.28 licensed lactation care provider for treatment;
- 570.29 (15) engaged in abusive or fraudulent billing practices, including violations of
570.30 federal Medicare and Medicaid laws, Food and Drug Administration regulations, or state
570.31 medical assistance laws;
- 570.32 (16) obtained money, property, or services from a consumer through the use of
570.33 undue influence, high-pressure sales tactics, harassment, duress, deception, or fraud;
- 570.34 (17) performed services for a client who had no possibility of benefiting from the
570.35 services;

571.1 (18) failed to refer a client for medical evaluation when appropriate or when a client
571.2 indicated symptoms associated with diseases that could be medically or surgically treated;

571.3 (19) engaged in conduct with a client that is sexual, or may reasonably be interpreted
571.4 by the client as sexual, or in any verbal behavior that is seductive or sexually demeaning
571.5 to a client;

571.6 (20) violated a federal or state court order, including a conciliation court judgment,
571.7 or a disciplinary order issued by the commissioner, related to the person's clinical lactation
571.8 services practice; or

571.9 (21) any other just cause related to the practice of clinical lactation services.

571.10 Subd. 2. **Investigation of complaints.** The commissioner may initiate an
571.11 investigation upon receiving a complaint or other oral or written communication that
571.12 alleges or implies that a person has violated sections 148.9801 to 148.9812. In the
571.13 receipt, investigation, and hearing of a complaint that alleges or implies that a person has
571.14 violated sections 148.9801 to 148.9812, the commissioner shall follow the procedures
571.15 in section 214.10.

571.16 Subd. 3. **Disciplinary action.** If the commissioner finds that a licensed lactation
571.17 care provider should be disciplined according to subdivision 1, the commissioner may
571.18 take any one or more of the following actions:

571.19 (1) refuse to grant or renew licensure;

571.20 (2) approve licensure with conditions;

571.21 (3) revoke licensure;

571.22 (4) suspend licensure;

571.23 (5) any reasonable lesser action including, but not limited to, reprimand or restriction
571.24 on licensure; or

571.25 (6) any action authorized by statute.

571.26 Subd. 4. **Effect of specific disciplinary action on use of title.** Upon notice from
571.27 the commissioner denying licensure renewal or upon notice that disciplinary actions have
571.28 been imposed and the person is no longer entitled to provide clinical lactation services and
571.29 use one of the protected titles, the person shall cease to provide clinical lactation services,
571.30 to use the title protected by sections 148.9801 to 148.9812, and to represent to the public
571.31 that the person is licensed by the commissioner.

571.32 Subd. 5. **Reinstatement requirements after disciplinary action.** A person who
571.33 has had licensure suspended may request and provide justification for reinstatement
571.34 following the period of suspension specified by the commissioner. The requirements
571.35 of section 148.9808 for renewing licensure and any other conditions imposed with the
571.36 suspension must be met before licensure may be reinstated.

572.1 Subd. 6. **Authority to contract.** The commissioner shall contract with the health
572.2 professionals services program as authorized by sections 214.31 to 214.37 to provide these
572.3 services to practitioners under sections 148.9801 to 148.9812. The health professionals
572.4 services program does not affect the commissioner's authority to discipline violations of
572.5 sections 148.9801 to 148.9812.

572.6 **MESSAGE AND BODYWORK THERAPY**

572.7 Sec. 28. **[148.982] DEFINITIONS.**

572.8 Subdivision 1. **Applicability.** The definitions in this section apply to sections
572.9 148.982 to 148.9885.

572.10 Subd. 2. **Advertise.** "Advertise" means to publish, display, broadcast, or disseminate
572.11 information by any means that can be reasonably construed as an advertisement.

572.12 Subd. 3. **Advisory council.** "Advisory council" means the Registered Massage and
572.13 Bodywork Therapist Advisory Council established under section 148.9861.

572.14 Subd. 4. **Applicant.** "Applicant" means an individual applying for registration or
572.15 renewal according to sections 148.982 to 148.9885.

572.16 Subd. 5. **Board.** "Board" means the Minnesota Board of Nursing.

572.17 Subd. 6. **Client.** "Client" means a recipient of massage and bodywork therapy
572.18 services.

572.19 Subd. 7. **Competency exam.** "Competency exam" means a massage and bodywork
572.20 therapy competency assessment that is approved by the board and is psychometrically
572.21 valid, based on a job task analysis, and administered by a national testing organization.

572.22 Subd. 8. **Contact hour.** "Contact hour" means an instructional session of at least
572.23 50 consecutive minutes, excluding coffee breaks, registration, meals without a speaker,
572.24 and social activities.

572.25 Subd. 9. **Credential.** "Credential" means a license, registration, or certification.

572.26 Subd. 10. **Health care provider.** "Health care provider" means a person who has a
572.27 state credential to provide one or more of the following services: medical as defined in
572.28 section 147.081, chiropractic as defined in section 148.01, podiatry as defined in section
572.29 153.01, dentistry as defined in section 150A.01, physical therapy as defined in section
572.30 148.65, or other state-credentialed providers.

572.31 Subd. 11. **Massage and bodywork therapy.** "Massage and bodywork therapy"
572.32 means a health care service involving systematic and structured touch and palpation, and
572.33 pressure and movement of the muscles, tendons, ligaments, and fascia, in order to reduce
572.34 muscle tension, relieve soft tissue pain, improve circulation, increase flexibility, increase

573.1 activity of the parasympathetic branch of the autonomic nervous system, or to promote
573.2 general wellness, by use of the techniques and applications described in section 148.983.

573.3 Subd. 12. **Municipality.** "Municipality" means a county, town, or home rule
573.4 charter or statutory city.

573.5 Subd. 13. **Physical agent modality.** "Physical agent modality" means modalities
573.6 that use the properties of light, water, temperature, sound, and electricity to produce
573.7 a response in soft tissue.

573.8 Subd. 14. **Practice of massage and bodywork therapy.** "Practice of massage and
573.9 bodywork therapy" means to engage professionally for compensation or as a volunteer in
573.10 massage and bodywork therapy or the instruction of professional technique coursework.

573.11 Subd. 15. **Professional organization.** "Professional organization" means an
573.12 organization that represents massage and bodywork therapists, was established before
573.13 the year 2005, offers professional liability insurance as a benefit of membership, has an
573.14 established code of professional ethics, and is board approved.

573.15 Subd. 16. **Registered massage and bodywork therapist or registrant.** "Registered
573.16 massage and bodywork therapist" or "registrant" means a health care provider registered
573.17 according to sections 148.982 to 148.9885, for the practice of massage and bodywork
573.18 therapy.

573.19 Subd. 17. **State.** "State" means any state in the United States, the District of
573.20 Columbia, Puerto Rico, the United States Virgin Islands, or Guam; or any Canadian
573.21 province or similar political subdivision of a foreign country; except "this state" means the
573.22 state of Minnesota.

573.23 **Sec. 29. [148.983] MASSAGE AND BODYWORK THERAPY.**

573.24 (a) The practice of massage and bodywork therapy by a registered massage and
573.25 bodywork therapist includes the following:

573.26 (1) use of any or all of the following techniques using the hands, forearms, elbows,
573.27 knees, or feet, or handheld, nonpuncturing, mechanical, or electrical devices that
573.28 mimic or enhance the actions of the human hands: effleurage or gliding; petrissage or
573.29 kneading; vibration and jostling; friction; tapotement or percussion; compression; fascial
573.30 manipulation; passive stretching within the normal anatomical range of motion; and

573.31 (2) application and use of any of the following: oils, lotions, gels, rubbing alcohol, or
573.32 powders for the purpose of lubricating the skin to be massaged; creams, with the exception
573.33 of prescription medicinal creams; hot or cold stones; essential oils as used in aromatherapy
573.34 for inhalation or diluted for topical application; salt glows and wraps; or heat or ice.

574.1 (b) The practice of massage and bodywork therapy does not include any of the
574.2 following:

574.3 (1) diagnosing any illness or disease;

574.4 (2) altering a course of recommended massage and bodywork therapy when
574.5 recommended by a state-credentialed health care provider without first consulting that
574.6 health care provider;

574.7 (3) prescription of drugs or medicines;

574.8 (4) intentional adjustment, manipulation, or mobilization of abnormal articulations,
574.9 neurological disturbances, structural alterations, biomechanical alterations as described in
574.10 section 148.01, including by means of a high-velocity, low-amplitude thrusting force or by
574.11 means of manual therapy or mechanical therapy for the manipulation or adjustment of
574.12 joint articulation as defined in section 146.23; or

574.13 (5) application of physical agent modalities, needles that puncture the skin, or
574.14 injection therapy.

574.15 **Sec. 30. [148.984] LIMITATIONS ON PRACTICE.**

574.16 If a massage and bodywork therapist has reason to believe a client's medical
574.17 condition is beyond the scope of practice established by sections 148.982 to 148.9885, or
574.18 by rules of the board for a registered massage and bodywork therapist, the massage and
574.19 bodywork therapist must refer the client to a health care provider as defined in sections
574.20 148.982 to 148.9885, but is not prohibited from comanaging the client.

574.21 **Sec. 31. [148.985] PROTECTED TITLES AND RESTRICTIONS ON USE.**

574.22 Subdivision 1. **Designation.** An individual regulated by sections 148.982 to
574.23 148.9885, is designated as a "registered massage and bodywork therapist" or "RMBT."

574.24 Subd. 2. **Title protection.** Effective July 1, 2017, no individual may use the title
574.25 "registered massage and bodywork therapist," or use, in connection with the individual's
574.26 name, the letters "RMBT," or any other titles, words, letters, abbreviations, or insignia
574.27 indicating or implying that the individual is registered or eligible for registration by this
574.28 state as a registered massage therapist unless the individual has been registered under
574.29 sections 148.982 to 148.9885.

574.30 Subd. 3. **Identification of registrants.** (a) A massage and bodywork therapist
574.31 registered according to sections 148.982 to 148.9885 shall be identified as a "registered
574.32 massage and bodywork therapist." If not written in full, this must be designated as "RMBT."

575.1 (b) The board may adopt rules for the implementation of this section, including the
575.2 identification of terms or references that may be used only by registered massage and
575.3 bodywork therapists as necessary to protect the public.

575.4 (c) A massage and bodywork therapist who is credentialed by another state, or who
575.5 holds a certification from organizations, agencies, or educational providers may advertise
575.6 using those terms or letters to indicate that credential, provided that the credentialing
575.7 body is clearly identified.

575.8 Subd. 4. **Other health care providers.** Nothing in sections 148.982 to 148.9885
575.9 may be construed to prohibit, restrict the practice of, or require massage and bodywork
575.10 therapy registration of any of the following:

575.11 (1) a health care provider credentialed by this state, using massage and bodywork
575.12 therapy techniques within the scope of the provider's credential, provided the provider
575.13 does not advertise or imply that the provider is registered according to sections 148.982
575.14 to 148.9885; or

575.15 (2) the natural health procedures, practices, and treatments in section 146A.01,
575.16 subdivision 4, provided that the provider does not advertise or imply that the provider is
575.17 registered according to sections 148.982 to 148.9885.

575.18 **Sec. 32. [148.986] POWERS OF BOARD.**

575.19 The board, acting with the advice of the advisory council, shall issue registrations to
575.20 duly qualified applicants and shall exercise the following powers and duties:

575.21 (1) adopt rules, including standards of practice and a professional code of ethics,
575.22 consistent with the law, as may be necessary to enable the board to implement the
575.23 provisions of sections 148.982 to 148.9885;

575.24 (2) assign duties to the advisory council that are necessary to implement the
575.25 provisions of sections 148.982 to 148.9885;

575.26 (3) approve or conduct a competency exam;

575.27 (4) appoint members to the advisory council according to section 148.9861 and
575.28 chapter 214;

575.29 (5) enforce sections 148.982 to 148.9885; investigate violations of section 148.9882
575.30 by a registrant or applicant; impose discipline as described in section 148.9882, and incur
575.31 any necessary expense;

575.32 (6) maintain a record of names and addresses of registrants;

575.33 (7) keep a permanent record of all its proceedings;

576.1 (8) distribute information regarding massage and bodywork therapy standards,
576.2 including applications and forms necessary to carry into effect the provisions of sections
576.3 148.982 to 148.9885;

576.4 (9) take action on applications according to section 148.9881; and

576.5 (10) employ and establish the duties of necessary personnel.

576.6 Sec. 33. **[148.9861] REGISTERED MASSAGE AND BODYWORK THERAPIST**
576.7 **ADVISORY COUNCIL.**

576.8 Subdivision 1. **Creation; membership.** (a) The Registered Massage and Bodywork
576.9 Therapist Advisory Council is created and is composed of five members appointed by
576.10 the board. All members must have resided in this state for at least three years prior to
576.11 appointment. The advisory council consists of:

576.12 (1) two public members, as defined in section 214.02;

576.13 (2) three members who, except for initial appointees, are registered massage and
576.14 bodywork therapists. Initial appointees must practice massage and bodywork therapy.

576.15 An initial appointee shall be removed from the council if the appointee does not obtain
576.16 registration under section 148.987 within a reasonable time after registration procedures
576.17 are established.

576.18 (b) A person may not be appointed to serve more than two consecutive full terms.

576.19 (c) No more than one member of the advisory council may be an owner or
576.20 administrator of a massage and bodywork therapy education provider.

576.21 Subd. 2. **Vacancies.** When a vacancy occurs for a member who is a registered
576.22 massage and bodywork therapist, the board may appoint a member from among qualified
576.23 candidates or from a list of nominees submitted by professional organizations that contains
576.24 twice the number of nominees as vacancies. The board may fill vacancies occurring on
576.25 the advisory council for unexpired terms according to this section. Members shall retain
576.26 membership until a qualified successor is appointed.

576.27 Subd. 3. **Terms; compensation; removal.** Membership terms shall be as provided
576.28 in section 15.059, subdivision 2. The members appointed under subdivision 1, clause (2),
576.29 shall serve terms that are coterminous with the governor. Members shall be compensated
576.30 as provided in section 15.059, subdivision 3. Members may be removed and vacancies
576.31 filled as provided in section 15.059, subdivision 4, except as provided in subdivision 2.

576.32 Subd. 4. **Chair.** The council must elect a chair from among its members.

576.33 Subd. 5. **Staffing.** The Minnesota Board of Nursing shall provide meeting space
576.34 and administrative support for the advisory council.

576.35 Subd. 6. **Duties.** The advisory council shall advise the board regarding:

577.1 (1) establishment of standards of practice and a code of ethics for registered massage
577.2 and bodywork therapists;

577.3 (2) distribution of information regarding massage and bodywork standards;

577.4 (3) enforcement of sections 148.982 to 148.9885;

577.5 (4) applications and recommendations of applicants for registration or registration
577.6 renewal;

577.7 (5) complaints and recommendations regarding disciplinary matters and proceedings
577.8 according to sections 214.10; 214.103; and 214.13, subdivisions 6 and 7;

577.9 (6) approval or creation of a competency exam granting status as an approved
577.10 education provider; and

577.11 (7) performance of other duties of advisory councils under chapter 214, or as
577.12 directed by the board.

577.13 Subd. 7. **Sunset.** The advisory council shall not expire.

577.14 Sec. 34. **[148.987] REGISTRATION REQUIREMENTS.**

577.15 Subdivision 1. **Registration.** To be eligible for registration according to sections
577.16 148.982 to 148.9885, an applicant must:

577.17 (1) pay applicable fees;

577.18 (2) submit to a criminal background check and pay the fees associated with obtaining
577.19 the criminal background check. The background check shall be conducted in accordance
577.20 with section 214.075; and

577.21 (3) file a written application on a form provided by the board that includes:

577.22 (i) the applicant's name, Social Security number, home address and telephone
577.23 number, business address and telephone number, and business setting;

577.24 (ii) provide proof, as required by the board, of:

577.25 (A) having obtained a high school diploma or its equivalent;

577.26 (B) being 18 years of age or older;

577.27 (C) current cardiopulmonary resuscitation and first aid certification;

577.28 (D) current professional liability insurance coverage, with a minimum of \$1,000,000
577.29 of coverage per occurrence; and

577.30 (E) proof, as required by the board, that the applicant has completed a postsecondary
577.31 course of study that includes:

577.32 (aa) science, including anatomy and physiology, kinesiology, pathology, hygiene,
577.33 and standard precautions; and

577.34 (bb) clinical practice in massage and bodywork therapy techniques; supervised
577.35 practice; professional ethics and standards of practice; business and legal practices related

578.1 to massage and bodywork therapy; and history, theory, and research related to massage
578.2 and bodywork therapy;

578.3 (iii) unless registered under subdivision 3 or 4, successful completion of a
578.4 competency exam;

578.5 (iv) a list of credentials or memberships held in this state or other states or from
578.6 private credentialing or professional organizations;

578.7 (v) a description of any other state or municipality's refusal to credential the applicant;

578.8 (vi) a description of all professional disciplinary actions initiated against the
578.9 applicant in any jurisdiction;

578.10 (vii) any history of drug or alcohol abuse;

578.11 (viii) any misdemeanor, gross misdemeanor, or felony conviction;

578.12 (ix) additional information as requested by the board;

578.13 (x) the applicant's signature on a statement that the information in the application is
578.14 true and correct to the best of the applicant's knowledge; and

578.15 (xi) the applicant's signature on a waiver authorizing the board to obtain access to
578.16 the applicant's records in this state or any other state in which the applicant has engaged in
578.17 the practice of massage and bodywork therapy.

578.18 **Subd. 2. Registration prohibited.** The board may deny an application for
578.19 registration if an applicant:

578.20 (1) has been convicted in this state of any of the following crimes, or of equivalent
578.21 crimes in another state:

578.22 (i) prostitution as defined under section 609.321, 609.324, or 609.3242;

578.23 (ii) criminal sexual conduct under sections 609.342 to 609.3451, or 609.3453; or

578.24 (iii) a violent crime as defined under section 611A.08, subdivision 6;

578.25 (2) is a registered sex offender under section 243.166;

578.26 (3) has been subjected to disciplinary action under section 146A.09, if the board
578.27 determines such denial is necessary to protect the public; or

578.28 (4) if an applicant is charged with or under investigation for complaints in this state or
578.29 any state that would constitute a violation of the statutes or rules established for the practice
578.30 of massage and bodywork therapy in this state, the applicant shall not be registered until
578.31 the complaints have been resolved in the applicant's favor. Should a complaint be resolved
578.32 in favor of the complainant, the application for registration in this state may be denied.

578.33 **Subd. 3. Registration by endorsement.** (a) To be eligible for registration by
578.34 endorsement, an applicant shall:

578.35 (1) meet the requirements for registration in subdivision 1, clauses (1), (2), and
578.36 (3), items (v) to (xi); and

579.1 (2) provide proof of a current and unrestricted equivalent credential in another
579.2 state that has qualifications at least equivalent to the requirements of sections 148.982 to
579.3 148.9885. The proof shall include records as required by rules of the board.

579.4 (b) Registrations issued by endorsement shall expire on the same schedule and be
579.5 renewed by the same procedures as registrations issued under subdivision 1.

579.6 Subd. 4. **Registration by grandfathering.** (a) To be eligible for registration by
579.7 grandfathering, an applicant shall:

579.8 (1) meet the requirements for registration in subdivision 1, clauses (1), (2), and
579.9 (3), items (v) to (xi); and

579.10 (2) provide documentation as specified by the board demonstrating the applicant has
579.11 met at least one of the following qualifications:

579.12 (i) successful completion of at least 500 hours of supervised classroom and hands-on
579.13 instruction relating to massage and bodywork therapy;

579.14 (ii) successful completion of a competency exam;

579.15 (iii) evidence of experience in the practice of massage and bodywork therapy for at
579.16 least two of the previous five years immediately preceding application; or

579.17 (iv) active membership in a professional organization for at least two of the previous
579.18 five years immediately preceding application.

579.19 (b) Registrations issued by grandfathering shall expire and be renewed on the same
579.20 schedule and by the same procedures as registrations issued under subdivision 1.

579.21 (c) This subdivision is effective for two years after the first date the board has made
579.22 applications available.

579.23 Subd. 5. **Temporary permit.** A temporary permit to practice as a registered
579.24 massage and bodywork therapist may be issued to an applicant eligible for registration
579.25 under subdivision 1, 3, or 4, if the application for registration is complete, all applicable
579.26 requirements in this section have been met, and applicable fees have been paid. The
579.27 temporary permit remains valid until the board takes action on the applicant's application.

579.28 **Sec. 35. [148.9871] EXPIRATION AND RENEWAL.**

579.29 Subdivision 1. **Registration expiration.** Registrations issued according to this
579.30 chapter expire annually.

579.31 Subd. 2. **Renewal.** To be eligible for registration renewal, a registrant must
579.32 annually, or as determined by the board:

579.33 (1) complete a renewal application on a form provided by the board;

579.34 (2) submit applicable fees; and

580.1 (3) submit any additional information requested by the board to clarify information
580.2 presented in the renewal application. The information must be submitted within 30 days
580.3 after the board's request, or the renewal request is canceled.

580.4 Subd. 3. **Change of address.** A registrant who changes addresses must inform
580.5 the board within 30 days, in writing, of the change of address. Notices or other
580.6 correspondence mailed to or served on a registrant at the registrant's current address on
580.7 file shall be considered as having been received by the registrant.

580.8 Subd. 4. **Registration renewal notice.** At least 60 days before the registration
580.9 renewal date, the board shall send out a renewal notice to the last known address of the
580.10 registrant on file. The notice must include a renewal application and a notice of fees
580.11 required for renewal. It must also inform the registrant that registration will expire without
580.12 further action by the board if an application for registration renewal is not received before
580.13 the deadline for renewal. The registrant's failure to receive this notice shall not relieve the
580.14 registrant of the obligation to meet the deadline and other requirements for registration
580.15 renewal. Failure to receive this notice is not grounds for challenging expiration of
580.16 registered status.

580.17 Subd. 5. **Renewal deadline.** The renewal application and fee must be postmarked
580.18 on or before October 1 of the year of renewal or as determined by the board. If the
580.19 postmark is illegible, the application shall be considered timely if received by the third
580.20 working day after the deadline.

580.21 Subd. 6. **Inactive status and return to active status.** (a) A registration may be
580.22 placed in inactive status upon application to the board by the registrant and upon payment
580.23 of an inactive status fee.

580.24 (b) A registrant seeking restoration to active status from inactive status must pay
580.25 the current renewal fees and all unpaid back inactive fees. The registrant must meet
580.26 the criteria for renewal under subdivision 7 prior to submitting an application to regain
580.27 registered status. If the registrant has been in inactive status for more than five years, a
580.28 qualifying score on a competency exam is required.

580.29 Subd. 7. **Registration following lapse of registration status for two years or less.**
580.30 In order for an individual whose registration status has lapsed for two years or less, to
580.31 regain registration status, the individual must:

580.32 (1) apply for registration renewal according to subdivision 2; and

580.33 (2) submit applicable fees for the period not registered, including the fee for late
580.34 renewal.

580.35 Subd. 8. **Cancellation due to nonrenewal.** The board shall not renew, reissue,
580.36 reinstate, or restore a registration that has lapsed and has not been renewed within two

581.1 years. A registrant whose registration is canceled for nonrenewal must obtain a new
581.2 registration by applying for initial registration and fulfilling all requirements then in
581.3 existence for initial registration as a massage and bodywork therapist.

581.4 Subd. 9. **Cancellation of registration in good standing.** (a) A registrant holding
581.5 active registration as a massage and bodywork therapist in this state may, upon approval
581.6 of the board, be granted registration cancellation if the board is not investigating the
581.7 person as a result of a complaint or information received or if the board has not begun
581.8 disciplinary proceedings against the registrant. Such action by the board shall be reported
581.9 as a cancellation of registration in good standing.

581.10 (b) A registrant who receives board approval for registration cancellation is not
581.11 entitled to a refund of any registration fees paid for the registration period in which
581.12 cancellation of the registration occurred.

581.13 (c) To obtain registration after cancellation, an applicant must obtain a new
581.14 registration by applying for initial registration and fulfilling the requirements then in
581.15 existence for obtaining initial registration according to sections 148.982 to 148.9885.

581.16 Sec. 36. **[148.9881] BOARD ACTION ON APPLICATIONS; DATA PRACTICES.**

581.17 (a) The board shall act on each application for registration or renewal according
581.18 to paragraphs (b) and (d).

581.19 (b) The board or advisory council shall determine if the applicant meets the
581.20 requirements for registration or renewal under section 148.987 or 148.9871. The board
581.21 or advisory council may investigate information provided by an applicant to determine
581.22 whether the information is accurate and complete, and may request additional information
581.23 or documentation.

581.24 (c) The board shall notify each applicant, in writing, of action taken on the
581.25 application, the grounds for denying registration if registration is denied, and the
581.26 applicant's right to review under paragraph (d).

581.27 (d) An applicant denied registration may make a written request to the board, within
581.28 30 days of the board's notice, to appear before the advisory council and for the advisory
581.29 council to review the board's decision to deny the applicant's registration. After reviewing
581.30 the denial, the advisory council shall make a recommendation to the board as to whether
581.31 the denial shall be affirmed. Each applicant is allowed only one request for review per
581.32 registration period.

581.33 (e) Section 13.41 applies to government data of the board on applicants and
581.34 registrants.

582.1 Sec. 37. [148.9882] GROUNDS FOR DISCIPLINARY ACTION.

582.2 Subdivision 1. Grounds listed. (a) The board may deny, revoke, suspend, limit, or
582.3 condition the registration of a registrant or registered massage and bodywork therapist, or
582.4 may otherwise discipline a registrant. The fact that massage and bodywork therapy may
582.5 be considered a less customary approach to health care shall not constitute the basis for
582.6 disciplinary action per se.

582.7 (b) The following are grounds for disciplinary action, regardless of whether injury
582.8 to a client is established:

582.9 (1) failing to demonstrate the qualifications or to satisfy the requirements for
582.10 registration contained in sections 148.982 to 148.9885, or rules of the board. In the case of
582.11 an applicant, the burden of proof is on the applicant to demonstrate the qualifications or
582.12 satisfy the requirements;

582.13 (2) advertising in a false, fraudulent, deceptive, or misleading manner, including,
582.14 but not limited to:

582.15 (i) advertising or holding oneself out as a "registered massage and bodywork
582.16 therapist" or any abbreviation or derivative thereof to indicate such a title, when such
582.17 registration is not valid or current for any reason;

582.18 (ii) advertising or holding oneself out as a "licensed massage and bodywork
582.19 therapist" or any abbreviation or derivative thereof to indicate such a title, unless the
582.20 registrant currently holds a valid state license in another state and provided that the state
582.21 is clearly identified;

582.22 (iii) advertising a service, the provision of which would constitute a violation of this
582.23 chapter or rules established by the board; and

582.24 (iv) using fraud, deceit, or misrepresentation when communicating with the general
582.25 public, health care providers, or other business professionals;

582.26 (3) falsifying information in a massage and bodywork therapy registration or renewal
582.27 application or attempting to obtain registration, registration renewal, or reinstatement by
582.28 fraud, deception, or misrepresentation, or aiding and abetting any of these acts;

582.29 (4) engaging in conduct with a client that is sexual or may reasonably be interpreted
582.30 by the client as sexual, or in any verbal behavior that is seductive or sexually demeaning
582.31 to a client, or engaging in sexual exploitation of a client, without regard to who initiates
582.32 such behaviors;

582.33 (5) committing an act of gross malpractice, negligence, or incompetency, or failing
582.34 to practice massage and bodywork therapy with the level of care, skill, and treatment
582.35 that is recognized by a reasonably prudent massage and bodywork therapist as being
582.36 acceptable under similar conditions and circumstances;

583.1 (6) having an actual or potential inability to practice massage and bodywork therapy
583.2 with reasonable skill and safety to clients by reason of illness, as a result of any mental
583.3 or physical condition, or use of alcohol, drugs, chemicals, or any other material. Being
583.4 adjudicated as mentally incompetent, mentally ill, a chemically dependent person, or a
583.5 person dangerous to the public by a court of competent jurisdiction, inside or outside
583.6 of this state, may be considered as evidence of an inability to practice massage and
583.7 bodywork therapy;

583.8 (7) being the subject of disciplinary action as a massage and bodywork therapist by
583.9 another state or jurisdiction where the board or advisory council determines that the cause
583.10 of the disciplinary action would be a violation under this state's statutes or rules of the
583.11 board if the violation had occurred in this state;

583.12 (8) failing to notify the board of revocation or suspension of a credential, or any
583.13 other disciplinary action taken by this or any other state, territory, or country, including
583.14 any restrictions on the right to practice; or the surrender or voluntary termination of a
583.15 credential during a board investigation of a complaint, as part of a disciplinary order, or
583.16 while under a disciplinary order;

583.17 (9) conviction of a crime, including a finding or verdict of guilt, an admission of
583.18 guilt, or a no-contest plea, in this state or elsewhere, reasonably related to engaging in
583.19 massage and bodywork therapy practices. Conviction, as used in this clause, includes a
583.20 conviction of an offense that, if committed in this state, would be deemed a felony, gross
583.21 misdemeanor, or misdemeanor, without regard to its designation elsewhere, or a criminal
583.22 proceeding where a finding or verdict of guilt is made or returned but the adjudication
583.23 of guilt is either withheld or not entered;

583.24 (10) if a registrant is on probation, failing to abide by terms of that probation;

583.25 (11) practicing or offering to practice beyond the scope of the practice of massage
583.26 and bodywork therapy;

583.27 (12) managing client records and information improperly, including but not limited to
583.28 failing to maintain adequate client records, comply with a client's request made according
583.29 to sections 144.291 to 144.298, or furnish a client record or report required by law;

583.30 (13) revealing a privileged communication from or relating to a client except when
583.31 otherwise required or permitted by law;

583.32 (14) providing massage and bodywork therapy services that are linked to the
583.33 financial gain of a referral source;

583.34 (15) obtaining money, property, or services from a client, other than reasonable
583.35 fees for services provided to the client, through the use of undue influence, harassment,
583.36 duress, deception, or fraud;

584.1 (16) engaging in abusive or fraudulent billing practices, including violations of
584.2 federal Medicare and Medicaid laws or state medical assistance laws;

584.3 (17) failing to consult with a client's health care provider who prescribed a course of
584.4 massage and bodywork therapy treatment if the treatment needs to be altered from the
584.5 original written order to conform with standards in the massage and bodywork therapy
584.6 field or the registrant's level of training or experience;

584.7 (18) failing to cooperate with an investigation of the board or its representatives,
584.8 including failing to respond fully and promptly to any question raised by or on behalf
584.9 of the board relating to the subject of the investigation, failing to execute all releases
584.10 requested by the board, failing to provide copies of client records, as reasonably requested
584.11 by the board to assist in its investigation, and failing to appear at conferences or hearings
584.12 scheduled by the board or its staff;

584.13 (19) interfering with an investigation or disciplinary proceeding, including by willful
584.14 misrepresentation of facts or by the use of threats or harassment to prevent a person from
584.15 providing evidence in a disciplinary proceeding or any legal action;

584.16 (20) violating a statute, rule, order, or agreement for corrective action that the board
584.17 issued or is otherwise authorized or empowered to enforce;

584.18 (21) aiding or abetting a person in violating sections 148.982 to 148.9885;

584.19 (22) failing to report to the board other massage and bodywork therapists who
584.20 commit violations of sections 148.982 to 148.9885; and

584.21 (23) failing to notify the board, in writing, of the entry of a final judgment by a
584.22 court of competent jurisdiction against the registrant for malpractice of massage and
584.23 bodywork therapy, or any settlement by the registrant in response to charges or allegations
584.24 of malpractice of massage and bodywork therapy. The notice must be provided to the
584.25 board within 60 days after the entry of a judgment, and must contain the name of the
584.26 court, case number, and the names of all parties to the action.

584.27 Subd. 2. Evidence. In disciplinary actions alleging a violation of subdivision 1,
584.28 a copy of the judgment or proceeding under the seal of the court administrator or of the
584.29 administrative agency that entered the same shall be admissible into evidence without
584.30 further authentication and shall constitute prima facie evidence of the violation.

584.31 Subd. 3. Examination; access to medical data. The board may take the actions
584.32 described in section 148.261, subdivision 5, if it has probable cause to believe that grounds
584.33 for disciplinary action exist under subdivision 1. The requirements and limitations
584.34 described in section 148.261, subdivision 5, shall apply.

584.35 **Sec. 38. [148.9883] DISCIPLINE; REPORTING.**

585.1 For purposes of sections 148.982 to 148.9885, registered massage and bodywork
585.2 therapists and applicants are subject to sections 148.262 to 148.266.

585.3 **Sec. 39. [148.9884] EFFECT ON MUNICIPAL ORDINANCES.**

585.4 Subdivision 1. **License authority.** The provisions of sections 148.982 to 148.9885
585.5 preempt the licensure and regulation of registered massage and bodywork therapists
585.6 by a municipality, including, without limitation, conducting a criminal background
585.7 investigation and examination of a massage and bodywork therapist or applicant for a
585.8 municipality's credential to practice massage and bodywork therapy.

585.9 Subd. 2. **Municipal regulation.** Nothing in sections 148.982 to 148.9885 shall
585.10 be construed to limit a municipality from:

585.11 (1) requiring a massage business establishment to obtain a business license or permit
585.12 in order to transact business in the jurisdiction regardless of whether the massage business
585.13 establishment is operated by a registered or unregistered massage and bodywork therapist;

585.14 (2) enforcing the provisions of health codes related to communicable diseases;

585.15 (3) requiring a criminal background check of any unregistered massage and
585.16 bodywork therapist applying for a license to conduct massage and bodywork therapy
585.17 in the municipality; and

585.18 (4) otherwise regulating massage business establishments by ordinance regardless of
585.19 whether the massage business establishment is operated by a registered or unregistered
585.20 massage and bodywork therapist.

585.21 Subd. 3. **Prosecuting authority.** A municipality may prosecute violations of
585.22 sections 148.982 to 148.9885, a local ordinance, or any other law by a registered or
585.23 unregistered massage and bodywork therapist in its jurisdiction.

585.24 **Sec. 40. [148.9885] FEES.**

585.25 Subdivision 1. **Fees.** Fees are as follows:

585.26 (1) initial registration with application fee must not exceed \$285;

585.27 (2) annual registration renewal fee must not exceed \$185;

585.28 (3) duplicate registration certificate, \$15;

585.29 (4) late fee, \$50;

585.30 (5) inactive status and inactive to active status reactivation, \$50;

585.31 (6) temporary permit, \$50; and

585.32 (7) returned check, \$35.

586.1 Subd. 2. **Penalty fee for late renewals.** An application for registration renewal
586.2 submitted after the deadline must be accompanied by a late fee in addition to the required
586.3 fees.

586.4 Subd. 3. **Nonrefundable fees.** All of the fees in subdivision 1 are nonrefundable.

586.5 Subd. 4. **Deposit.** Fees collected by the board under this section shall be deposited
586.6 into the state government special revenue fund.

586.7 Subd. 5. **Special assessment fee.** A special assessment fee not to exceed \$85 shall
586.8 be assessed annually upon registration renewal until the fee revenue equals the board's
586.9 expenditures for registration activities under sections 148.982 to 148.9885.

586.10 **ORTHODICS, PEDORTHICS, AND PROSTHETICS**

586.11 Sec. 41. **[153B.10] SHORT TITLE.**

586.12 Chapter 153B may be cited as the "Minnesota Orthotist, Prosthetist, and Pedorthist
586.13 Practice Act."

586.14 Sec. 42. **[153B.15] DEFINITIONS.**

586.15 Subdivision 1. **Application.** For purposes of this chapter, the following words
586.16 have the meanings given.

586.17 Subd. 2. **Advisory council.** "Advisory council" means the Orthotics, Prosthetics,
586.18 and Pedorthics Advisory Council established under section 153B.25.

586.19 Subd. 3. **Board.** "Board" means the Board of Podiatric Medicine.

586.20 Subd. 4. **Custom-fabricated device.** "Custom-fabricated device" means an orthosis,
586.21 prosthesis, or pedorthic device for use by a patient that is fabricated to comprehensive
586.22 measurements or a mold or patient model in accordance with a prescription and which
586.23 requires on-site or in-person clinical and technical judgment in its design, fabrication,
586.24 and fitting.

586.25 Subd. 5. **Licensed orthotic-prosthetic assistant.** "Licensed orthotic-prosthetic
586.26 assistant" or "assistant" means a person, licensed by the board, who is educated and
586.27 trained to participate in comprehensive orthotic and prosthetic care while under the
586.28 supervision of a licensed orthotist or licensed prosthetist. Assistants may perform orthotic
586.29 and prosthetic procedures and related tasks in the management of patient care. The
586.30 assistant may fabricate, repair, and maintain orthoses and prostheses. The use of the title
586.31 "orthotic-prosthetic assistant" or representations to the public is limited to a person who is
586.32 licensed under this chapter as an orthotic-prosthetic assistant.

586.33 Subd. 6. **Licensed orthotic fitter.** "Licensed orthotic fitter" or "fitter" means a
586.34 person licensed by the board who is educated and trained in providing certain orthoses,

587.1 and is trained to conduct patient assessments, formulate treatment plans, implement
587.2 treatment plans, perform follow-up, and practice management pursuant to a prescription.

587.3 An orthotic fitter must be competent to fit certain custom-fitted, prefabricated, and
587.4 off-the-shelf orthoses as follows:

587.5 (1) cervical orthoses, except those used to treat an unstable cervical condition;

587.6 (2) prefabricated orthoses for the upper and lower extremities, except those used in:

587.7 (i) the initial or acute treatment of long bone fractures and dislocations;

587.8 (ii) therapeutic shoes and inserts needed as a result of diabetes; and

587.9 (iii) functional electrical stimulation orthoses;

587.10 (3) prefabricated spinal orthoses, except those used in the treatment of scoliosis or
587.11 unstable spinal conditions, including halo cervical orthoses; and

587.12 (4) trusses.

587.13 The use of the title "orthotic fitter" or representations to the public is limited to a person
587.14 who is licensed under this chapter as an orthotic fitter.

587.15 Subd. 7. **Licensed orthotist.** "Licensed orthotist" means a person licensed by
587.16 the board who is educated and trained to practice orthotics, which includes managing
587.17 comprehensive orthotic patient care pursuant to a prescription. The use of the title
587.18 "orthotist" or representations to the public is limited to a person who is licensed under
587.19 this chapter as an orthotist.

587.20 Subd. 8. **Licensed pedorthist.** "Licensed pedorthist" means a person licensed by
587.21 the board who is educated and trained to manage comprehensive pedorthic patient care
587.22 and who performs patient assessments, formulates and implements treatment plans, and
587.23 performs follow-up and practice management pursuant to a prescription. A pedorthist may
587.24 fit, fabricate, adjust, or modify devices within the scope of the pedorthist's education and
587.25 training. Use of the title "pedorthist" or representations to the public is limited to a person
587.26 who is licensed under this chapter as a pedorthist.

587.27 Subd. 9. **Licensed prosthetist.** "Licensed prosthetist" means a person licensed by
587.28 the board who is educated and trained to manage comprehensive prosthetic patient care,
587.29 and who performs patient assessments, formulates and implements treatment plans, and
587.30 performs follow-up and practice management pursuant to a prescription. Use of the title
587.31 "prosthetist" or representations to the public is limited to a person who is licensed under
587.32 this chapter as a prosthetist.

587.33 Subd. 10. **Licensed prosthetist orthotist.** "Licensed prosthetist orthotist" means a
587.34 person licensed by the board who is educated and trained to manage comprehensive
587.35 prosthetic and orthotic patient care, and who performs patient assessments, formulates and
587.36 implements treatment plans, and performs follow-up and practice management pursuant to

588.1 a prescription. Use of the title "prosthetist orthotist" or representations to the public is
588.2 limited to a person who is licensed under this chapter as a prosthetist orthotist.

588.3 Subd. 11. **NCOPE.** "NCOPE" means National Commission on Orthotic and
588.4 Prosthetic Education, an accreditation program that ensures educational institutions and
588.5 residency programs meet the minimum standards of quality to prepare individuals to enter
588.6 the orthotic, prosthetic, and pedorthic professions.

588.7 Subd. 12. **Orthosis.** "Orthosis" means an external device that is custom-fabricated
588.8 or custom-fitted to a specific patient based on the patient's unique physical condition and
588.9 is applied to a part of the body to help correct a deformity, provide support and protection,
588.10 restrict motion, improve function, or relieve symptoms of a disease, syndrome, injury, or
588.11 postoperative condition.

588.12 Subd. 13. **Orthotics.** "Orthotics" means the science and practice of evaluating,
588.13 measuring, designing, fabricating, assembling, fitting, adjusting, or servicing an orthosis
588.14 pursuant to a prescription. The practice of orthotics includes providing the initial training
588.15 necessary for fitting an orthotic device for the support, correction, or alleviation of
588.16 neuromuscular or musculoskeletal dysfunction, disease, injury, or deformity.

588.17 Subd. 14. **Over-the-counter.** "Over-the-counter" means a prefabricated,
588.18 mass-produced item that is prepackaged, requires no professional advice or judgment in
588.19 size selection or use, and is currently available at retail stores without a prescription.
588.20 Over-the-counter items are not regulated by this chapter.

588.21 Subd. 15. **Off-the-shelf.** "Off-the-shelf" means a prefabricated device sized or
588.22 modified for the patient's use pursuant to a prescription and that requires changes to be
588.23 made by a qualified practitioner to achieve an individual fit, such as requiring the item
588.24 to be trimmed, bent, or molded with or without heat, or requiring any other alterations
588.25 beyond self adjustment.

588.26 Subd. 16. **Pedorthic device.** "Pedorthic device" means below-the-ankle partial
588.27 foot prostheses for transmetatarsal and more distal amputations, foot orthoses, and
588.28 subtalar-control foot orthoses to control the range of motion of the subtalar joint.
588.29 A prescription is required for any pedorthic device, modification, or prefabricated
588.30 below-the-knee orthosis addressing a medical condition that originates at the ankle or
588.31 below. Pedorthic devices do not include nontherapeutic inlays or footwear regardless
588.32 of method of manufacture; unmodified, nontherapeutic over-the-counter shoes; or
588.33 prefabricated foot care products.

588.34 Subd. 17. **Pedorthics.** "Pedorthics" means the science and practice of evaluating,
588.35 measuring, designing, fabricating, assembling, fitting, adjusting, or servicing a pedorthic
588.36 device pursuant to a prescription for the correction or alleviation of neuromuscular or

589.1 musculoskeletal dysfunction, disease, injury, or deformity. The practice of pedorthics
589.2 includes providing patient care and services pursuant to a prescription to prevent or
589.3 ameliorate painful or disabling conditions of the foot and ankle.

589.4 Subd. 18. **Prescription.** "Prescription" means an order deemed medically necessary
589.5 by a physician, podiatric physician, osteopathic physician, or a licensed health care
589.6 provider who has authority in this state to prescribe orthotic and prosthetic devices,
589.7 supplies, and services.

589.8 Subd. 19. **Prosthesis.** "Prosthesis" means a custom-designed, fabricated, fitted, or
589.9 modified device to treat partial or total limb loss for purposes of restoring physiological
589.10 function or cosmesis. Prosthesis does not include artificial eyes, ears, fingers, or toes;
589.11 dental appliances; external breast prosthesis; or cosmetic devices that do not have a
589.12 significant impact on the musculoskeletal functions of the body.

589.13 Subd. 20. **Prosthetics.** "Prosthetics" means the science and practice of evaluating,
589.14 measuring, designing, fabricating, assembling, fitting, adjusting, or servicing a prosthesis
589.15 pursuant to a prescription. It includes providing the initial training necessary to fit a
589.16 prosthesis in order to replace external parts of a human body lost due to amputation,
589.17 congenital deformities, or absence.

589.18 Subd. 21. **Resident.** "Resident" means a person who has completed a
589.19 NCOPE-approved education program in orthotics or prosthetics and is receiving clinical
589.20 training in a residency accredited by NCOPE.

589.21 Subd. 22. **Residency.** "Residency" means a minimum of an NCOPE-approved
589.22 program to acquire practical clinical training in orthotics and prosthetics in a patient
589.23 care setting.

589.24 Subd. 23. **Supervisor.** "Supervisor" means the licensed orthotist, prosthetist, or
589.25 pedorthist who oversees and is responsible for the delivery of appropriate, effective,
589.26 ethical, and safe orthotic, prosthetic, or pedorthic patient care.

589.27 Sec. 43. **[153B.20] EXCEPTIONS.**

589.28 Nothing in this chapter shall prohibit:

589.29 (1) a physician or podiatric physician licensed by the state of Minnesota from
589.30 providing services within the physician's scope of practice;

589.31 (2) a health care professional licensed by the state of Minnesota, including, but not
589.32 limited to, chiropractors, physical therapists, and occupational therapy practitioners from
589.33 providing services within the professional's scope of practice, or an individual working
589.34 under the supervision of a licensed physician or podiatric physician;

590.1 (3) the practice of orthotics, prosthetics, or pedorthics by a person who is employed
590.2 by the federal government or any bureau, division, or agency of the federal government
590.3 while in the discharge of the employee's official duties;

590.4 (4) the practice of orthotics, prosthetics, or pedorthics by:

590.5 (i) a student enrolled in an accredited or approved orthotics, prosthetics, or
590.6 pedorthics education program who is performing activities required by the program;

590.7 (ii) a resident enrolled in an NCOPE-accredited residency program; or

590.8 (iii) a person working in a qualified, supervised work experience or internship who
590.9 is obtaining the clinical experience necessary for licensure under this chapter; or

590.10 (5) an orthotist, prosthetist, prosthetist orthotist, pedorthist, assistant, or fitter who is
590.11 licensed in another state or territory of the United States or in another country that has
590.12 equivalent licensure requirements as approved by the board from providing services within
590.13 the professional's scope of practice subject to this chapter, if the individual is qualified and
590.14 has applied for licensure under this chapter. The individual shall be allowed to practice for
590.15 no longer than six months following the filing of the application for licensure, unless the
590.16 individual withdraws the application for licensure or the board denies the license.

590.17 Sec. 44. **[153B.25] ORTHOTICS, PROSTHETICS, AND PEDORTHICS**
590.18 **ADVISORY COUNCIL.**

590.19 Subdivision 1. **Creation; membership.** (a) There is established an Orthotics,
590.20 Prosthetics, and Pedorthics Advisory Council that shall consist of seven voting members
590.21 appointed by the board. Five members shall be licensed and practicing orthotists,
590.22 prosthetists, or pedorthists. Each profession shall be represented on the advisory council.
590.23 One member shall be a Minnesota-licensed doctor of podiatric medicine who is also a
590.24 member of the Board of Podiatric Medicine, and one member shall be a public member.

590.25 (b) The council shall be organized and administered under section 15.059.

590.26 Subd. 2. **Duties.** The advisory council shall:

590.27 (1) advise the board on enforcement of the provisions contained in this chapter;

590.28 (2) review reports of investigations or complaints relating to individuals and make
590.29 recommendations to the board as to whether a license should be denied or disciplinary
590.30 action taken against an individual;

590.31 (3) advise the board regarding standards for licensure of professionals under this
590.32 chapter; and

590.33 (4) perform other duties authorized for advisory councils by chapter 214, as directed
590.34 by the board.

590.35 Subd. 3. **Chair.** The council must elect a chair from among its members.

591.1 Subd. 4. **Administrative provisions.** The Board of Podiatric Medicine must
591.2 provide meeting space and administrative services for the council.

591.3 Sec. 45. **[153B.30] LICENSURE.**

591.4 Subdivision 1. **Application.** An application for a license shall be submitted to the
591.5 board in the format required by the board and shall be accompanied by the required fee,
591.6 which is nonrefundable.

591.7 Subd. 2. **Qualifications.** (a) To be eligible for licensure as an orthotist, prosthetist,
591.8 or prosthetist orthotist, an applicant shall meet orthotist, prosthetist, or prosthetist orthotist
591.9 certification requirements of either the American Board for Certification in Orthotics,
591.10 Prosthetics, and Pedorthics or the Board of Certification/Accreditation requirements in
591.11 effect at the time of the individual's application for licensure and be in good standing
591.12 with the certifying board.

591.13 (b) To be eligible for licensure as a pedorthist, an applicant shall meet the pedorthist
591.14 certification requirements of either the American Board for Certification in Orthotics,
591.15 Prosthetics, and Pedorthics or the Board of Certification/Accreditation that are in effect
591.16 at the time of the individual's application for licensure and be in good standing with
591.17 the certifying board.

591.18 (c) To be eligible for licensure as an orthotic or prosthetic assistant, an applicant shall
591.19 meet the orthotic or prosthetic assistant certification requirements of the American Board
591.20 for Certification in Orthotics, Prosthetics, and Pedorthics that are in effect at the time of
591.21 the individual's application for licensure and be in good standing with the certifying board.

591.22 (d) To be eligible for licensure as an orthotic fitter, an applicant shall meet the
591.23 orthotic fitter certification requirements of either the American Board for Certification in
591.24 Orthotics, Prosthetics, and Pedorthics or the Board of Certification/Accreditation that are
591.25 in effect at the time of the individual's application for licensure and be in good standing
591.26 with the certifying board.

591.27 Subd. 3. **License term.** A license to practice is valid for a term of up to 24 months
591.28 beginning on January 1 or commencing after initially fulfilling the license requirements
591.29 and ending on December 31 of the following year.

591.30 Sec. 46. **[153B.35] EMPLOYMENT BY AN ACCREDITED FACILITY; SCOPE**
591.31 **OF PRACTICE.**

591.32 A licensed orthotist, prosthetist, pedorthist, assistant, or orthotic fitter may provide
591.33 limited, supervised orthotic or prosthetic patient care services beyond their licensed scope
591.34 of practice if all of the following conditions are met:

592.1 (1) the licensee is employed by a patient care facility that is accredited by a national
592.2 accrediting organization in orthotics, prosthetics, and pedorthics;

592.3 (2) written objective criteria are documented by the accredited facility to describe
592.4 the knowledge and skills required by the licensee to demonstrate competency to provide
592.5 additional specific and limited orthotic or prosthetic patient care services that are outside
592.6 the licensee's scope of practice;

592.7 (3) the licensee provides orthotic or prosthetic patient care only at the direction of a
592.8 supervisor who is licensed as an orthotist, pedorthist, or prosthetist who is employed by
592.9 the facility to provide the specific orthotic or prosthetic patient care or services that are
592.10 outside the licensee's scope of practice; and

592.11 (4) the supervised orthotic or prosthetic patient care occurs in compliance with
592.12 facility accreditation standards.

592.13 Sec. 47. **[153B.40] CONTINUING EDUCATION.**

592.14 Subdivision 1. **Requirement.** Each licensee shall obtain the number of continuing
592.15 education hours required by the certifying board to maintain certification status pursuant
592.16 to the specific license category.

592.17 Subd. 2. **Proof of attendance.** A licensee must submit to the board proof of
592.18 attendance at approved continuing education programs during the license renewal period
592.19 in which it was attended in the form of a certificate, statement of continuing education
592.20 credits from the American Board for Certification in Orthotics, Prosthetics, and Pedorthics
592.21 or the Board of Certification/Accreditation, descriptive receipt, or affidavit. The board
592.22 may conduct random audits.

592.23 Subd. 3. **Extension of continuing education requirements.** For good cause, a
592.24 licensee may apply to the board for a six-month extension of the deadline for obtaining
592.25 the required number of continuing education credits. No more than two consecutive
592.26 extensions may be granted. For purposes of this subdivision, "good cause" includes
592.27 unforeseen hardships such as illness, family emergency, or military call-up.

592.28 Sec. 48. **[153B.45] LICENSE RENEWAL.**

592.29 Subdivision 1. **Submission of license renewal application.** A licensee must submit
592.30 to the board a license renewal application on a form provided by the board together with
592.31 the license renewal fee. The completed form must be postmarked no later than January 1
592.32 in the year of renewal. The form must be signed by the licensee in the place provided for
592.33 the renewal applicant's signature, include evidence of participation in approved continuing
592.34 education programs, and any other information as the board may reasonably require.

593.1 Subd. 2. **Renewal application postmarked after January 1.** A renewal application
593.2 postmarked after January 1 in the renewal year shall be returned to the licensee for addition
593.3 of the late renewal fee. A license renewal application postmarked after January 1 in the
593.4 renewal year is not complete until the late renewal fee has been received by the board.

593.5 Subd. 3. **Failure to submit renewal application.** (a) At any time after January 1 of
593.6 the applicable renewal year, the board shall send notice to a licensee who has failed to
593.7 apply for license renewal. The notice shall be mailed to the licensee at the last address on
593.8 file with the board and shall include the following information:

593.9 (1) that the licensee has failed to submit application for license renewal;

593.10 (2) the amount of renewal and late fees;

593.11 (3) information about continuing education that must be submitted in order for
593.12 the license to be renewed;

593.13 (4) that the licensee must respond within 30 calendar days after the notice was sent
593.14 by the board; and

593.15 (5) that the licensee may voluntarily terminate the license by notifying the board
593.16 or may apply for license renewal by sending the board a completed renewal application,
593.17 license renewal and late fees, and evidence of compliance with continuing education
593.18 requirements.

593.19 (b) Failure by the licensee to notify the board of the licensee's intent to voluntarily
593.20 terminate the license or to submit a license renewal application shall result in expiration
593.21 of the license and termination of the right to practice. The expiration of the license and
593.22 termination of the right to practice shall not be considered disciplinary action against the
593.23 licensee.

593.24 (c) A license that has been expired under this subdivision may be reinstated.

593.25 Sec. 49. **[153B.50] NAME AND ADDRESS CHANGE.**

593.26 (a) A licensee who has changed names must notify the board in writing within 90
593.27 days and request a revised license. The board may require official documentation of the
593.28 legal name change.

593.29 (b) A licensee must maintain with the board a correct mailing address to receive
593.30 board communications and notices. A licensee who has changed addresses must notify the
593.31 board in writing within 90 days. Mailing a notice by United States mail to a licensee's last
593.32 known mailing address constitutes valid mailing.

593.33 Sec. 50. **[153B.55] INACTIVE STATUS.**

594.1 (a) A licensee who notifies the board in the format required by the board may elect
594.2 to place the licensee's credential on inactive status and shall be excused from payment
594.3 of renewal fees until the licensee notifies the board in the format required by the board
594.4 of the licensee's plan to return to practice.

594.5 (b) A person requesting restoration from inactive status shall be required to pay the
594.6 current renewal fee and comply with section 153B.45.

594.7 (c) A person whose license has been placed on inactive status shall not practice in
594.8 this state.

594.9 **Sec. 51. [153B.60] LICENSE LAPSE DUE TO MILITARY SERVICE.**

594.10 A licensee whose license has expired while on active duty in the armed forces of the
594.11 United States, with the National Guard while called into service or training, or while in
594.12 training or education preliminary to induction into military service may have the licensee's
594.13 license renewed or restored without paying a late fee or license restoration fee if the licensee
594.14 provides verification to the board within two years of the termination of service obligation.

594.15 **Sec. 52. [153B.65] ENDORSEMENT.**

594.16 The board may license, without examination and on payment of the required fee,
594.17 an applicant who is an orthotist, prosthetist, prosthetist orthotist, pedorthist, assistant, or
594.18 fitter who is certified by the American Board for Certification in Orthotics, Prosthetics,
594.19 and Pedorthics or a national certification organization with educational, experiential, and
594.20 testing standards equal to or higher than the licensing requirements in Minnesota.

594.21 **Sec. 53. [153B.70] GROUNDS FOR DISCIPLINARY ACTION.**

594.22 (a) The board may refuse to issue or renew a license, revoke or suspend a license, or
594.23 place on probation or reprimand a licensee for one or any combination of the following:

594.24 (1) making a material misstatement in furnishing information to the board;

594.25 (2) violating or intentionally disregarding the requirements of this chapter;

594.26 (3) conviction of a crime, including a finding or verdict of guilt, an admission of
594.27 guilt, or a no-contest plea, in this state or elsewhere, reasonably related to the practice

594.28 of the profession. Conviction, as used in this clause, includes a conviction of an offense
594.29 which, if committed in this state, would be deemed a felony, gross misdemeanor, or

594.30 misdemeanor, without regard to its designation elsewhere, or a criminal proceeding where
594.31 a finding or verdict of guilty is made or returned but the adjudication of guilt is either
594.32 withheld or not entered;

594.33 (4) making a misrepresentation in order to obtain or renew a license;

- 595.1 (5) displaying a pattern of practice or other behavior that demonstrates incapacity or
595.2 incompetence to practice;
- 595.3 (6) aiding or assisting another person in violating the provisions of this chapter;
- 595.4 (7) failing to provide information within 60 days in response to a written request from
595.5 the board, including documentation of completion of continuing education requirements;
- 595.6 (8) engaging in dishonorable, unethical, or unprofessional conduct;
- 595.7 (9) engaging in conduct of a character likely to deceive, defraud, or harm the public;
- 595.8 (10) inability to practice due to habitual intoxication, addiction to drugs, or mental
595.9 or physical illness;
- 595.10 (11) being disciplined by another state or territory of the United States, the federal
595.11 government, a national certification organization, or foreign nation, if at least one of the
595.12 grounds for the discipline is the same or substantially equivalent to one of the grounds
595.13 in this section;
- 595.14 (12) directly or indirectly giving to or receiving from a person, firm, corporation,
595.15 partnership, or association a fee, commission, rebate, or other form of compensation for
595.16 professional services not actually or personally rendered;
- 595.17 (13) incurring a finding by the board that the licensee, after the licensee has been
595.18 placed on probationary status, has violated the conditions of the probation;
- 595.19 (14) abandoning a patient or client;
- 595.20 (15) willfully making or filing false records or reports in the course of the licensee's
595.21 practice including, but not limited to, false records or reports filed with state or federal
595.22 agencies;
- 595.23 (16) willfully failing to report child maltreatment as required under the Maltreatment
595.24 of Minors Act, section 626.556; or
- 595.25 (17) soliciting professional services using false or misleading advertising.
- 595.26 (b) A license to practice is automatically suspended if (1) a guardian of a licensee is
595.27 appointed by order of a court pursuant to sections 524.5-101 to 524.5-502, for reasons
595.28 other than the minority of the licensee, or (2) the licensee is committed by order of a court
595.29 pursuant to chapter 253B. The license remains suspended until the licensee is restored to
595.30 capacity by a court and, upon petition by the licensee, the suspension is terminated by the
595.31 board after a hearing. The licensee may be reinstated to practice, either with or without
595.32 restrictions, by demonstrating clear and convincing evidence of rehabilitation. The
595.33 regulated person is not required to prove rehabilitation if the subsequent court decision
595.34 overturns previous court findings of public risk.
- 595.35 (c) If the board has probable cause to believe that a licensee or applicant has violated
595.36 paragraph (a), clause (10), it may direct the person to submit to a mental or physical

596.1 examination. For the purpose of this section, every person is deemed to have consented to
596.2 submit to a mental or physical examination when directed in writing by the board and to
596.3 have waived all objections to the admissibility of the examining physician's testimony or
596.4 examination report on the grounds that the testimony or report constitutes a privileged
596.5 communication. Failure of a regulated person to submit to an examination when directed
596.6 constitutes an admission of the allegations against the person, unless the failure was due to
596.7 circumstances beyond the person's control, in which case a default and final order may be
596.8 entered without the taking of testimony or presentation of evidence. A regulated person
596.9 affected under this paragraph shall at reasonable intervals be given an opportunity to
596.10 demonstrate that the person can resume the competent practice of the regulated profession
596.11 with reasonable skill and safety to the public. In any proceeding under this paragraph,
596.12 neither the record of proceedings nor the orders entered by the board shall be used against
596.13 a regulated person in any other proceeding.

596.14 (d) In addition to ordering a physical or mental examination, the board may,
596.15 notwithstanding section 13.384 or 144.293, or any other law limiting access to medical or
596.16 other health data, obtain medical data and health records relating to a licensee or applicant
596.17 without the person's or applicant's consent if the board has probable cause to believe that a
596.18 licensee is subject to paragraph (a), clause (10). The medical data may be requested
596.19 from a provider as defined in section 144.291, subdivision 2, paragraph (i), an insurance
596.20 company, or a government agency, including the Department of Human Services. A
596.21 provider, insurance company, or government agency shall comply with any written request
596.22 of the board under this section and is not liable in any action for damages for releasing the
596.23 data requested by the board if the data are released pursuant to a written request under this
596.24 section, unless the information is false and the provider giving the information knew, or
596.25 had reason to know, the information was false. Information obtained under this section
596.26 is private data on individuals as defined in section 13.02.

596.27 (e) If the board issues an order of immediate suspension of a license, a hearing must
596.28 be held within 30 days of the suspension and completed without delay.

596.29 **Sec. 54. [153B.75] INVESTIGATION; NOTICE AND HEARINGS.**

596.30 The board has the authority to investigate alleged violations of this chapter, conduct
596.31 hearings, and impose corrective or disciplinary action as provided in section 214.103.

596.32 **Sec. 55. [153B.80] UNLICENSED PRACTICE.**

596.33 Subdivision 1. **License required.** Effective January 1, 2018, no individual shall
596.34 practice as an orthotist, prosthetist, prosthetist orthotist, pedorthist, orthotic or prosthetic

597.1 assistant, or orthotic fitter, unless the individual holds a valid license issued by the board
597.2 under this chapter, except as permitted under section 153B.20 or 153B.35.

597.3 Subd. 2. **Designation.** No individual shall represent themselves to the public as
597.4 a licensed orthotist, prosthetist, prosthetist orthotist, pedorthist, orthotic or prosthetic
597.5 assistant, or an orthotic fitter, unless the individual is licensed under this chapter.

597.6 Subd. 3. **Penalties.** Any individual who violates this section is guilty of a
597.7 misdemeanor. The board shall have the authority to seek a cease and desist order against
597.8 any individual who is engaged in the unlicensed practice of a profession regulated by the
597.9 board under this chapter.

597.10 Sec. 56. **[153B.85] FEES.**

597.11 Subdivision 1. **Fees.** (a) The application fee for initial licensure shall not exceed
597.12 \$600.

597.13 (b) The biennial renewal fee for a license to practice as an orthotist, prosthetist,
597.14 prosthetist orthotist, or pedorthist shall not exceed \$600.

597.15 (c) The biennial renewal fee for a license to practice as an assistant or a fitter shall
597.16 not exceed \$300.

597.17 (d) The fee for license restoration shall not exceed \$600.

597.18 (e) The fee for license verification shall not exceed \$30.

597.19 (f) The fee to obtain a list of licensees shall not exceed \$25.

597.20 Subd. 2. **Proration of fees.** For the first renewal period following initial licensure,
597.21 the renewal fee is the fee specified in subdivision 1, paragraph (b) or (c), prorated to the
597.22 nearest dollar that is represented by the ratio of the number of days the license is held
597.23 in the initial licensure period to 730 days.

597.24 Subd. 3. **Late fee.** The fee for late license renewal is the license renewal fee in
597.25 effect at the time of renewal plus \$100.

597.26 Subd. 4. **Nonrefundable fees.** All fees are nonrefundable.

597.27 Subd. 5. **Deposit.** Fees collected by the board under this section shall be deposited
597.28 in the state government special revenue fund.

597.29 Sec. 57. Minnesota Statutes 2014, section 214.075, subdivision 3, is amended to read:

597.30 Subd. 3. **Consent form; fees; fingerprints.** (a) In order to effectuate the federal
597.31 and state level, fingerprint-based criminal background check, the applicant or licensee
597.32 must submit a completed criminal history records check consent form and a full set of
597.33 fingerprints to the respective health-related licensing board or a designee in the manner
597.34 and form specified by the board.

598.1 (b) The applicant or licensee is responsible for all fees associated with preparation of
598.2 the fingerprints, the criminal records check consent form, and the criminal background
598.3 check. The fees for the criminal records background check shall be set by the BCA and
598.4 the FBI and are not refundable. The fees shall be submitted to the respective health-related
598.5 licensing board by the applicant or licensee as prescribed by the respective board.

598.6 (c) All fees received by the health-related licensing boards under this subdivision
598.7 shall be deposited in a dedicated ~~account~~ accounts in the special revenue fund and are
598.8 appropriated to ~~the Board of Nursing Home Administrators for the administrative services~~
598.9 ~~unit~~ health-related licensing boards to pay for the criminal background checks conducted
598.10 by the Bureau of Criminal Apprehension and Federal Bureau of Investigation.

598.11 Sec. 58. Minnesota Statutes 2015 Supplement, section 256B.0625, subdivision 18a,
598.12 is amended to read:

598.13 Subd. 18a. **Access to medical services.** (a) Medical assistance reimbursement for
598.14 meals for persons traveling to receive medical care may not exceed \$5.50 for breakfast,
598.15 \$6.50 for lunch, or \$8 for dinner.

598.16 (b) Medical assistance reimbursement for lodging for persons traveling to receive
598.17 medical care may not exceed \$50 per day unless prior authorized by the local agency.

598.18 (c) Regardless of the number of employees that an enrolled health care provider may
598.19 have, medical assistance covers sign and ~~oral~~ spoken language health care interpreter
598.20 services when provided by an enrolled health care provider during the course of providing
598.21 a direct, person-to-person covered health care service to an enrolled recipient with limited
598.22 English proficiency or who has a hearing loss and uses interpreting services. Coverage
598.23 for ~~face-to-face oral language~~ spoken language health care interpreter services shall be
598.24 provided only if the ~~oral language~~ spoken language health care interpreter used by the
598.25 enrolled health care provider is listed ~~in~~ on the ~~registry or~~ roster established under section
598.26 144.058 or the registry established under chapter 146C. Beginning July 1, 2018, coverage
598.27 for spoken language health care interpreter services shall be provided only if the spoken
598.28 language health care interpreter used by the enrolled health care provider is listed on the
598.29 registry established under chapter 146C.

598.30 Sec. 59. **[325F.816] MUNICIPAL OR CITY BUSINESS LICENSE; MASSAGE.**

598.31 An individual who is issued a municipal or city business license to practice massage
598.32 is prohibited from advertising as a licensed massage and bodywork therapist unless the
598.33 individual has received a professional credential from another state, is current in licensure,
598.34 and remains in good standing under the credentialing state's requirements.

599.1 Sec. 60. **FIRST APPOINTMENTS, FIRST MEETING, AND FIRST CHAIR OF**
599.2 **THE ORTHOTICS, PROSTHETICS, AND PEDORTHICS ADVISORY COUNCIL.**

599.3 The Board of Podiatric Medicine shall make its first appointments authorized
599.4 under Minnesota Statutes, section 153B.25, to the Orthotics, Prosthetics, and Pedorthics
599.5 Advisory Council, by September 1, 2016. The board shall designate four of its first
599.6 appointees to serve terms that are coterminous with the governor. The chair of the Board
599.7 of Podiatric Medicine or the chair's designee shall convene the first meeting of the council
599.8 by November 1, 2016. The council must elect a chair from among its members at the first
599.9 meeting of the council.

599.10 Sec. 61. **INITIAL APPOINTMENTS, TERMS, AND MEETING.**

599.11 The Minnesota Board of Nursing shall make initial appointments to the Registered
599.12 Massage and Bodywork Therapist Advisory Council under Minnesota Statutes, section
599.13 148.9861, by October 1, 2016, and shall designate one member to call the first meeting of
599.14 the advisory council by November 15, 2016. The terms of the initial members appointed
599.15 under Minnesota Statutes, section 148.9861, subdivision 1, clause (1), shall end the first
599.16 Monday in January 2019. The terms of the initial members appointed under Minnesota
599.17 Statutes, section 148.9861, subdivision 1, clause (2), shall end the first Monday in January
599.18 2020.

599.19 Sec. 62. **STAKEHOLDER ENGAGEMENT.**

599.20 The commissioner of health shall work with community stakeholders in Minnesota
599.21 including, but not limited to, the Minnesota Breastfeeding Coalition; the women,
599.22 infants, and children program; hospitals and clinics; local public health professionals
599.23 and organizations; community-based organizations; and representatives of populations
599.24 with low breastfeeding rates to carry out a study identifying barriers, challenges, and
599.25 successes affecting initiation, duration, and exclusivity of breastfeeding. The study
599.26 shall address policy, systemic, and environmental factors that both support and create
599.27 barriers to breastfeeding. These factors include, but are not limited to, issues such as
599.28 levels of practice and barriers such as education, clinical experience, and cost to those
599.29 seeking certification as an International Board-Certified Lactation Consultant. The study
599.30 shall identify and make recommendations regarding culturally appropriate practices that
599.31 have been shown to increase breastfeeding rates in populations that have the greatest
599.32 breastfeeding disparity rates. A report on the study must be completed and submitted to
599.33 the chairs and ranking minority members of the legislative committees with jurisdiction
599.34 over health care policy and finance on or before September 15, 2017.

600.1 Sec. 63. **INITIAL SPOKEN LANGUAGE HEALTH CARE ADVISORY**
600.2 **COUNCIL MEETING.**

600.3 The commissioner of health shall convene the first meeting of the Spoken Language
600.4 Health Care Advisory Council by October 1, 2016.

600.5 Sec. 64. **SPOKEN LANGUAGE HEALTH CARE INTERPRETER REGISTRY**
600.6 **FEES.**

600.7 Notwithstanding Minnesota Statutes, section 146C.13, paragraph (a), the initial and
600.8 renewal fees for interpreters listed on the spoken language health care registry shall be \$50
600.9 between the period of July 1, 2017, through June 30, 2018, and shall be \$70 between the
600.10 period of July 1, 2018, through June 30, 2019. Beginning July 1, 2019, the fees shall be
600.11 in accordance with Minnesota Statutes, section 146C.13.

600.12 Sec. 65. **STRATIFIED MEDICAL ASSISTANCE REIMBURSEMENT SYSTEM**
600.13 **FOR SPOKEN LANGUAGE HEALTH CARE INTERPRETERS.**

600.14 (a) The commissioner of human services, in consultation with the commissioner
600.15 of health, the Spoken Language Health Care Interpreter Advisory Council established
600.16 under Minnesota Statutes, section 146C.11, and representatives from the interpreting
600.17 stakeholder community at large, shall study and make recommendations for creating a
600.18 tiered reimbursement system for the Minnesota public health care programs for spoken
600.19 language health care interpreters based on the different tiers of the spoken language health
600.20 care interpreters registry established by the commissioner of health under Minnesota
600.21 Statutes, chapter 146C.

600.22 (b) The commissioner of human services shall submit the proposed reimbursement
600.23 system, including the fiscal costs for the proposed system to the chairs and ranking
600.24 minority members of the house of representatives and senate committees with jurisdiction
600.25 over health and human services policy and finance by January 15, 2017.

600.26 (c) The commissioner of health, in consultation with the Spoken Language Health
600.27 Care Interpreter Advisory Council, shall review the fees established under Minnesota
600.28 Statutes, section 146C.13, and make recommendations based on the results of the
600.29 study and recommendations under paragraph (a) whether the fees are established at an
600.30 appropriate level, including whether specific fees should be established for each tier of the
600.31 registry instead of one uniform fee for all tiers. The total fees collected must be sufficient
600.32 to recover the costs of the spoken language health care registry. If the commissioner
600.33 recommends different fees for the tiers, the commissioner shall submit the proposed fees

601.1 to the chairs and ranking minority members of the legislative committees with jurisdiction
 601.2 over health and human services policy and finance by January 15, 2018.

601.3 **Sec. 66. REPEALER.**

601.4 Minnesota Statutes 2014, section 144.058, is repealed effective July 1, 2018.

601.5 **ARTICLE 28**

601.6 **HUMAN SERVICES FORECAST ADJUSTMENTS**

601.7 Section 1. **HUMAN SERVICES APPROPRIATION.**

601.8 The sums shown in the columns marked "Appropriations" are added to or, if shown
 601.9 in parentheses, are subtracted from the appropriations in Laws 2015, chapter 71, article
 601.10 13, from the general fund or any fund named to the Department of Human Services for
 601.11 the purposes specified in this article, to be available for the fiscal year indicated for each
 601.12 purpose. The figures "2016" and "2017" used in this article mean that the appropriations
 601.13 listed under them are available for the fiscal years ending June 30, 2016, or June 30, 2017,
 601.14 respectively. "The first year" is fiscal year 2016. "The second year" is fiscal year 2017.
 601.15 "The biennium" is fiscal years 2016 and 2017.

601.16		<u>APPROPRIATIONS</u>
601.17		<u>Available for the Year</u>
601.18		<u>Ending June 30</u>
601.19		<u>2016</u> <u>2017</u>

601.20 **Sec. 2. COMMISSIONER OF HUMAN**
 601.21 **SERVICES**

601.22 **Subdivision 1. Total Appropriation \$ (615,912,000) \$ (518,891,000)**

601.23	<u>Appropriations by Fund</u>	
601.24	<u>General Fund</u>	<u>(307,806,000) (246,029,000)</u>
601.25	<u>Health Care Access</u>	
601.26	<u>Fund</u>	<u>(289,770,000) (277,101,000)</u>
601.27	<u>Federal TANF</u>	<u>(18,336,000) 4,239,000</u>

601.28 **Subd. 2. Forecasted Programs**

601.29 **(a) MFIP/DWP**

601.30	<u>Appropriations by Fund</u>	
601.31	<u>General Fund</u>	<u>9,833,000 (8,799,000)</u>
601.32	<u>Federal TANF</u>	<u>(20,225,000) 4,212,000</u>

601.33 **(b) MFIP Child Care Assistance (23,094,000) (7,760,000)**

602.1	<u>(c) General Assistance</u>	(2,120,000)	(1,078,000)
602.2	<u>(d) Minnesota Supplemental Aid</u>	(1,613,000)	(1,650,000)
602.3	<u>(e) Group Residential Housing</u>	(8,101,000)	(7,954,000)
602.4	<u>(f) Northstar Care for Children</u>	2,231,000	4,496,000
602.5	<u>(g) MinnesotaCare</u>	(227,821,000)	(230,027,000)

602.6 These appropriations are from the health care
 602.7 access fund.

602.8 (h) Medical Assistance

602.9	<u>Appropriations by Fund</u>		
602.10	<u>General Fund</u>	(294,773,000)	(243,700,000)
602.11	<u>Health Care Access</u>		
602.12	<u>Fund</u>	(61,949,000)	(47,074,000)

602.13 (i) Alternative Care Program -0- -0-

602.14 (j) CCDTF Entitlements 9,831,000 20,416,000

602.15 Subd. 3. Technical Activities 1,889,000 27,000

602.16 These appropriations are from the federal
 602.17 TANF fund.

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

602.19 **ARTICLE 29**

602.20 **HEALTH AND HUMAN SERVICES APPROPRIATIONS**

602.21 Section 1. **HEALTH AND HUMAN SERVICES APPROPRIATIONS.**

602.22 The sums shown in the columns marked "Appropriations" are added to or, if shown
 602.23 in parentheses, subtracted from the appropriations in Laws 2015, chapter 71, article 14, to
 602.24 the agencies and for the purposes specified in this act. The appropriations are from the
 602.25 general fund or other named fund and are available for the fiscal years indicated for each
 602.26 purpose. The figures "2016" and "2017" used in this act mean that the addition to or
 602.27 subtraction from the appropriation listed under them is available for the fiscal year ending
 602.28 June 30, 2016, or June 30, 2017, respectively. Supplemental appropriations and reductions
 602.29 to appropriations for the fiscal year ending June 30, 2016, are effective the day following
 602.30 final enactment unless a different effective date is explicit.

603.1
603.2
603.3
603.4

APPROPRIATIONS
Available for the Year
Ending June 30
2016 **2017**

603.5 **Sec. 2. COMMISSIONER OF HUMAN**
603.6 **SERVICES**

603.7 **Subdivision 1. Total Appropriation** \$ **-0-** \$ **128,627,000**

603.8	<u>Appropriations by Fund</u>		
603.9	<u>2016</u>		<u>2017</u>
603.10	<u>General</u>	<u>-0-</u>	<u>125,235,000</u>
603.11	<u>State Government</u>		
603.12	<u>Special Revenue</u>	<u>-0-</u>	<u>25,000</u>
603.13	<u>Health Care Access</u>	<u>-0-</u>	<u>3,367,000</u>

603.14 **Subd. 2. Central Office Operations**

603.15 **(a) Operations**

603.16	<u>Appropriations by Fund</u>		
603.17	<u>General</u>	<u>-0-</u>	<u>3,459,000</u>
603.18	<u>State Government</u>		
603.19	<u>Special Revenue</u>	<u>-0-</u>	<u>25,000</u>
603.20	<u>Health Care Access</u>	<u>-0-</u>	<u>982,000</u>

603.21 **Payments for Timely Administration of**
603.22 **Criminal Proceedings.** \$200,000 in fiscal
603.23 year 2017 is for the timely administration
603.24 of criminal proceedings involving clients
603.25 and patients in the Minnesota sex offender
603.26 program and the state-operated forensic
603.27 services. In fiscal year 2017 and each fiscal
603.28 year thereafter, up to \$50,000 shall be paid
603.29 to Carlton County, up to \$50,000 shall be
603.30 paid to Nicollet County, up to \$50,000
603.31 shall be paid to the Sixth Judicial District
603.32 Public Defender's Office, and up to \$50,000
603.33 shall be paid to the Fifth District Public
603.34 Defender's Office. The commissioner shall
603.35 monitor the payments at least quarterly. If
603.36 the commissioner determines that an entity
603.37 will not spend all of its allocation before

604.1 the end of the fiscal year, the commissioner
 604.2 shall reallocate any unspent dollars to an
 604.3 entity or entities that had an insufficient
 604.4 allocation. By January 15 of each year, the
 604.5 commissioner shall report to the chairs and
 604.6 ranking minority members of the house of
 604.7 representatives and senate health and human
 604.8 services finance committees the amount of
 604.9 unspent funds during the previous fiscal
 604.10 year. The commissioner shall not use funds
 604.11 appropriated for administrative costs.

604.12 **Request for Information.** \$165,000 in fiscal
 604.13 year 2017 is for transfer to the commissioner
 604.14 of management and budget to develop a
 604.15 request for information on a privatized
 604.16 state-based marketplace model. This is a
 604.17 onetime transfer.

604.18 **Base Adjustment.** The general fund base is
 604.19 decreased by \$2,206,000 in fiscal year 2018
 604.20 and \$2,287,000 in fiscal year 2019. The state
 604.21 government special revenue fund base is
 604.22 decreased by \$3,709,000 in fiscal year 2018
 604.23 and \$3,709,000 in fiscal year 2019. The
 604.24 health care access fund base is increased by
 604.25 \$905,000 in fiscal year 2018 and \$468,000 in
 604.26 fiscal year 2019.

604.27 **(b) Children and Families** -0- 132,000

604.28 **Base Adjustment.** The general fund base is
 604.29 decreased by \$132,000 in fiscal years 2018
 604.30 and 2019.

604.31 **(c) Health Care**

604.32	<u>Appropriations by Fund</u>		
604.33	<u>General</u>	<u>-0-</u>	<u>1,186,000</u>

605.1	<u>State Government</u>		
605.2	<u>Special Revenue</u>	<u>-0-</u>	<u>25,000</u>
605.3	<u>Health Care Access</u>	<u>-0-</u>	<u>550,000</u>

605.4 **Spoken Language Health Care**
 605.5 **Interpreters Reimbursement System**
 605.6 **Study.** \$25,000 is from the state government
 605.7 special revenue fund to study and submit
 605.8 a proposed stratified medical assistance
 605.9 reimbursement system for spoken language
 605.10 health care interpreters. This is a onetime
 605.11 appropriation.

605.12 **Base Adjustment.** The general fund base is
 605.13 decreased by \$187,000 in fiscal year 2018
 605.14 and \$187,000 in fiscal year 2019. The state
 605.15 government special revenue fund base is
 605.16 decreased by \$25,000 in fiscal year 2018 and
 605.17 \$25,000 in fiscal year 2019. The health care
 605.18 access fund base is increased by \$2,948,000
 605.19 in fiscal year 2018 and \$2,991,000 in fiscal
 605.20 year 2019.

605.21	<u>(d) Continuing Care</u>	<u>-0-</u>	<u>534,000</u>
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605.22 **Study of Home and Community-Based**
 605.23 **Services Workforce.** \$414,000 in fiscal
 605.24 year 2017 is to complete a study of home
 605.25 and community-based services workforce
 605.26 and its impact on service access. In addition
 605.27 to the data collected under Minnesota
 605.28 Statutes, section 256B.4912, subdivision 11,
 605.29 the commissioner may also use surveys or
 605.30 other methods to complete this study. On
 605.31 January 1, 2018, the commissioner shall
 605.32 report the findings of the study, including
 605.33 recommendations on how to address access
 605.34 to services, and recommendations on a
 605.35 higher reimbursement rate for staff providing

606.1 services to individuals with higher home care
 606.2 ratings, case mixes, or levels of care, to the
 606.3 chairs and ranking minority members of the
 606.4 legislative committees with jurisdiction over
 606.5 health and human services policy and finance
 606.6 and labor and industry. The general fund
 606.7 base for this appropriation is \$621,000 in
 606.8 fiscal year 2018 and zero in fiscal year 2019.

606.9 **Base Adjustment.** The general fund base is
 606.10 increased by \$447,000 in fiscal year 2018 and
 606.11 decreased by \$174,000 in fiscal year 2019.

606.12 **(e) Community Supports** -0- 134,000

606.13 **Base Adjustment.** The general fund base
 606.14 is increased by \$469,000 in fiscal year 2018
 606.15 and \$429,000 in fiscal year 2019.

606.16 **Subd. 3. Forecasted Programs**

606.17 **(a) MFIP Child Care Assistance** -0- 4,973,000

606.18 **(b) Northstar Care for Children** -0- 8,802,000

606.19 **(c) MinnesotaCare** -0- 2,108,000

606.20 This appropriation is from the health care
 606.21 access fund.

606.22 **(d) Medical Assistance**

606.23	<u>Appropriations by Fund</u>		
606.24	<u>General</u>	-0-	<u>34,004,000</u>
606.25	<u>Health Care Access</u>	-0-	<u>277,000</u>

606.26 **(e) Consolidated Chemical Dependency**
 606.27 **Treatment Fund** -0- 5,897,000

606.28 **CCDTF Transfer.** In fiscal year 2017,
 606.29 the commissioner shall transfer \$2,000,000
 606.30 from the consolidated chemical dependency
 606.31 treatment fund administrative account in the
 606.32 special revenue fund to the general fund.
 606.33 This is a onetime transfer.

607.1 Subd. 4. Grant Programs

607.2	<u>(a) BSF Child Care Assistance Grants</u>	<u>-0-</u>	<u>3,137,000</u>
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607.3 Base Adjustment. The general fund base is
 607.4 increased by \$4,258,000 in fiscal year 2018
 607.5 and \$4,258,000 in fiscal year 2019.

607.6	<u>(b) Child Care Development Grants</u>	<u>-0-</u>	<u>1,500,000</u>
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607.7 Increased Access to Affordable Child
 607.8 Care in Greater Minnesota. \$1,500,000
 607.9 in fiscal year 2017 is from the general fund
 607.10 for grants of \$250,000 to each of the six
 607.11 Minnesota Initiative Foundations to increase
 607.12 access to affordable child care in greater
 607.13 Minnesota. Grant funds may be used to
 607.14 increase child care provider training and
 607.15 professional development; support legal
 607.16 nonlicensed family, friend, and neighbor
 607.17 child care providers; provide potential and
 607.18 current child care providers with licensing,
 607.19 financial, and technical assistance; help child
 607.20 care providers become rated under the Parent
 607.21 Aware quality rating system; and strengthen
 607.22 local capacity and increase the availability
 607.23 of affordable high-quality child care in each
 607.24 region. This is a onetime appropriation and
 607.25 is available until June 30, 2019.

607.26 Base Adjustment. The general fund base is
 607.27 decreased by \$1,500,000 in fiscal year 2018
 607.28 and \$1,500,000 in fiscal year 2019.

607.29	<u>(c) Children's Services Grants</u>	<u>-0-</u>	<u>1,860,000</u>
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607.30 American Indian Child Welfare Initiative.
 607.31 \$800,000 in fiscal year 2017 is for planning
 607.32 efforts to expand the American Indian
 607.33 Child Welfare Initiative authorized under
 607.34 Minnesota Statutes, section 256.01,

608.1 subdivision 14b. Of this appropriation,
 608.2 \$400,000 is for grants to the Mille Lacs
 608.3 Band of Ojibwe and \$400,000 is for grants
 608.4 to the Red Lake Nation. This is a onetime
 608.5 appropriation.

608.6 **Crisis Nursery Services.** \$60,000 in fiscal
 608.7 year 2017 is for a grant to an organization
 608.8 in Minneapolis that provides free, voluntary
 608.9 crisis nursery services for families in crisis
 608.10 24 hours per day, 365 days per year; crisis
 608.11 counseling; overnight residential child care;
 608.12 a 24-hour crisis hotline; and parent education
 608.13 to provide a trauma-informed continuum
 608.14 of care for families living in poverty, to
 608.15 continue efforts to prevent child abuse and
 608.16 neglect, and to develop practices that can be
 608.17 shared with organizations around the state
 608.18 to reduce child abuse and neglect. This is a
 608.19 onetime appropriation and is available until
 608.20 June 30, 2019.

608.21 **Base Adjustment.** The general fund base is
 608.22 decreased by \$860,000 in fiscal year 2018
 608.23 and \$860,000 in fiscal year 2019.

608.24 **(d) Child and Community Service Grants** -0- 1,900,000

608.25 **White Earth Band of Ojibwe Human**
 608.26 **Services Initiative Project.** \$1,400,000
 608.27 in fiscal year 2017 is for a grant to the
 608.28 White Earth Band of Ojibwe for the direct
 608.29 implementation and administrative costs of
 608.30 the White Earth Human Service Initiative
 608.31 Project authorized under Laws 2011, First
 608.32 Special Session chapter 9, article 9, section
 608.33 18.

608.34 **Red Lake Nation Human Services**
 608.35 **Initiative Project.** \$500,000 in fiscal year

609.1 2017 is for a grant to the Red Lake Nation for
 609.2 the direct implementation and administrative
 609.3 costs of the Red Lake Human Service
 609.4 Initiative Project authorized under Minnesota
 609.5 Statutes, section 256.01, subdivision 2,
 609.6 paragraph (a), clause (7).

609.7 **(e) Child and Economic Support Grants** -0- 1,500,000

609.8 **Safe Harbor for Sexually Exploited Youth.**
 609.9 \$500,000 in fiscal year 2017 is for emergency
 609.10 shelter and transitional and long-term
 609.11 housing beds for sexually exploited youth
 609.12 and youth at risk of sexual exploitation. The
 609.13 base for this appropriation is \$625,000 in
 609.14 fiscal year 2018 and \$625,000 in fiscal year
 609.15 2019. The commissioner shall not use any
 609.16 portion of this appropriation nor of the base
 609.17 amounts in fiscal year 2018 and fiscal year
 609.18 2019 for administrative costs.

609.19 **Base Level Adjustment.** The general fund
 609.20 base is increased by \$375,000 in fiscal year
 609.21 2018 and \$375,000 in fiscal year 2019.

609.22 **(f) Adult Mental Health Grants** -0- 200,000

609.23 **Adult Mental Illness Crisis Housing**
 609.24 **Assistance Program.** The general fund
 609.25 appropriation for the adult mental illness
 609.26 crisis housing assistance program is
 609.27 decreased by \$300,000 in fiscal year 2017.
 609.28 The general fund appropriation is increased
 609.29 by \$300,000 in fiscal year 2017 for expanding
 609.30 eligibility to include persons with serious
 609.31 mental illness under Minnesota Statutes,
 609.32 section 245.99, subdivision 2.

609.33 **Integrated Behavioral Health Care**
 609.34 **Coordination Demonstration Project.**
 609.35 \$200,000 in fiscal year 2017 is for a grant

610.1 to the Zumbro Valley Health Center. The
 610.2 grant shall be used to continue a pilot
 610.3 project to test an integrated behavioral
 610.4 health care coordination model. The grant
 610.5 recipient must report measurable outcomes
 610.6 to the commissioner of human services
 610.7 by December 1, 2018. This is a onetime
 610.8 appropriation and is available until June 30,
 610.9 2018.

610.10 **Base Adjustment.** The general fund base is
 610.11 decreased by \$200,000 in fiscal year 2018 and
 610.12 is decreased by \$200,000 in fiscal year 2019.

610.13 <u>(g) Child Mental Health Grants</u>	<u>-0-</u>	<u>2,500,000</u>
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610.14 **Child and Adolescent Behavioral Health**
 610.15 **Services Grant.** The child mental health
 610.16 grants base includes \$1,500,000 in fiscal
 610.17 year 2018 and \$1,500,000 in fiscal year
 610.18 2019 for children's mental health grants to
 610.19 sustain extended-stay inpatient psychiatric
 610.20 hospital services for children and adolescents
 610.21 under Minnesota Statutes, section 245.4889,
 610.22 subdivision 1, paragraph (a), clause (17).

610.23 **School-Linked Mental Health Grants.**
 610.24 \$1,500,000 in fiscal year 2017 is for children's
 610.25 mental health grants under Minnesota
 610.26 Statutes, section 245.4889, subdivision 1,
 610.27 paragraph (b), clause (8), for current grantees
 610.28 to expand services to school buildings,
 610.29 school districts, or counties that do not have
 610.30 school-linked mental health available, and
 610.31 to provide training to grantees on the use of
 610.32 evidence-based practices. The general fund
 610.33 base for this appropriation is \$2,250,000 in
 610.34 fiscal year 2018 and \$2,250,000 in fiscal year
 610.35 2019. The amount in fiscal year 2019 shall

611.1 be awarded through a competitive process
 611.2 open to all eligible grantees as part of a new
 611.3 grant cycle. This appropriation does not
 611.4 include additional administrative money.

611.5 **Children's Mental Health Collaboratives;**
 611.6 **Youth and Young Adult Mental Health**
 611.7 **Demonstration Project. \$1,000,000**
 611.8 in fiscal year 2017 is for a grant to a
 611.9 children's mental health collaborative
 611.10 under Minnesota Statutes, section 245.493,
 611.11 that serves Kandiyohi, McLeod, Meeker,
 611.12 Renville, and Yellow Medicine Counties
 611.13 for a rural demonstration project to assist
 611.14 transition-aged youth and young adults with
 611.15 emotional behavioral disturbance (EBD)
 611.16 or mental illnesses in making a successful
 611.17 transition into adulthood. This is a onetime
 611.18 appropriation and is available until June 30,
 611.19 2019.

611.20 **Base Adjustment.** The general fund base is
 611.21 increased by \$1,250,000 in fiscal years 2018
 611.22 and 2019.

611.23 **Subd. 5. DCT State-Operated Services**

611.24 **(a) DCT State-Operated Services Mental**
 611.25 **Health**

-0-

30,942,000

611.26 **Restore Funds Transferred to Minnesota**
 611.27 **State-Operated Community Services.**
 611.28 \$14,000,000 in fiscal year 2017 is to restore
 611.29 funds transferred to the enterprise fund for
 611.30 state-operated community services in fiscal
 611.31 year 2016. This is a onetime appropriation.

611.32 **Community Behavioral Health Hospitals**
 611.33 **Full Capacity Staffing.** \$19,678,000 in
 611.34 fiscal year 2017 is to increase staffing to a
 611.35 level sufficient to operate the community

612.1 behavioral health hospitals at full licensed
 612.2 capacity. The base for this appropriation
 612.3 is \$25,879,000 in fiscal year 2018 and
 612.4 \$25,879,000 in fiscal year 2019.

612.5 **Anoka Metro Regional Treatment Center**
 612.6 **Nursing Float Pool.** \$788,000 in fiscal
 612.7 year 2017 is for a nursing float pool for
 612.8 weekend coverage at the Anoka Metro
 612.9 Regional Treatment Center. The base for this
 612.10 appropriation is \$1,526,000 in fiscal year
 612.11 2018 and \$1,526,000 in fiscal year 2019.

612.12 **Anoka Metro Regional Treatment Center**
 612.13 **Increased Clinical Oversight.** \$336,000
 612.14 in fiscal year 2017 is for increased clinical
 612.15 oversight at the Anoka Metro Regional
 612.16 Treatment Center. The base for this
 612.17 appropriation is \$632,000 in fiscal year 2018
 612.18 and \$632,000 in fiscal year 2019.

612.19 **Child and Adolescent Behavioral Health**
 612.20 **Services Closure.** The child and adolescent
 612.21 behavioral health services program in
 612.22 Willmar shall discontinue operations no later
 612.23 than June 30, 2017.

612.24 **Base Adjustment.** The general fund base is
 612.25 decreased by \$12,852,000 in fiscal year 2018
 612.26 and \$13,715,000 in fiscal year 2019.

612.27 **(b) DCT State-Operated Services Enterprise**
 612.28 **Services**

-0-

3,000,000

612.29 **State-Operated Community Services.**
 612.30 \$3,000,000 in fiscal year 2017 is for the
 612.31 Minnesota state-operated community
 612.32 services program. This is a onetime
 612.33 appropriation. The commissioner must
 612.34 transfer \$3,000,000 in fiscal year 2017 to the
 612.35 enterprise fund for Minnesota state-operated

613.1 community services. This is a onetime
 613.2 transfer.

613.3 **Base Adjustment.** The general fund base is
 613.4 decreased by \$3,000,000 in fiscal year 2018
 613.5 and \$3,000,000 in fiscal year 2019.

613.6 **(c) DCT State-Operated Services Minnesota**
 613.7 **Security Hospital** -0- 17,754,000

613.8 **Competency Restoration Program.**
 613.9 \$6,754,000 in fiscal year 2017 is for the
 613.10 development of a new residential competency
 613.11 restoration program to be operated by
 613.12 state-operated forensic services. The
 613.13 commissioner shall use this appropriation to
 613.14 make available 20 hospital beds at Anoka
 613.15 Metro Regional Treatment Center and
 613.16 12 secure beds at the Minnesota Security
 613.17 Hospital. The base for this appropriation
 613.18 is \$8,423,000 in fiscal year 2018 and
 613.19 \$8,423,000 in fiscal year 2019.

613.20 **Base Adjustment.** The general fund base is
 613.21 increased by \$3,169,000 in fiscal year 2018
 613.22 and \$3,169,000 in fiscal year 2019.

613.23 **Subd. 6. DCT Minnesota Sex Offender**
 613.24 **Program** -0- 3,807,000

613.25 **Base Adjustment.** The general fund base is
 613.26 decreased by \$1,306,000 in fiscal year 2018
 613.27 and \$1,306,000 in fiscal year 2019.

613.28 **Sec. 3. COMMISSIONER OF HEALTH**

613.29 **Subdivision 1. Total Appropriation** **\$ -0- \$ 4,709,000**

		<u>Appropriations by Fund</u>	
		<u>2016</u>	<u>2017</u>
613.31			
613.32	<u>General</u>	<u>-0-</u>	<u>1,291,000</u>
613.33	<u>State Government</u>		
613.34	<u>Special Revenue</u>	<u>-0-</u>	<u>873,000</u>
613.35	<u>Health Care Access</u>	<u>-0-</u>	<u>2,545,000</u>

614.1 The appropriations for each purpose are
 614.2 shown in the following subdivisions.

614.3 **Subd. 2. Health Improvement**

614.4	<u>Appropriations by Fund</u>		
614.5	<u>General</u>	<u>-0-</u>	<u>1,067,000</u>
614.6	<u>Health Care Access</u>	<u>-0-</u>	<u>2,545,000</u>

614.7 **Medical Cannabis Patient Registry.**

614.8 \$50,000 in fiscal year 2017 is from the
 614.9 general fund for updates to the medical
 614.10 cannabis patient registry. This is a onetime
 614.11 appropriation.

614.12 **Health Care System Study. \$500,000 in**
 614.13 fiscal year 2017 is from the health care access
 614.14 fund for a health care system study. This is a
 614.15 onetime appropriation and is available until
 614.16 June 30, 2018.

614.17 **Safe Harbor for Sexually Exploited Youth.**

614.18 \$500,000 in fiscal year 2017 is from the
 614.19 general fund for trauma-informed, culturally
 614.20 specific services for exploited youth. The
 614.21 base for this appropriation is \$625,000
 614.22 in fiscal year 2018 and \$625,000 in fiscal
 614.23 year 2019. Neither the appropriation in
 614.24 fiscal year 2017 nor the base amounts in
 614.25 fiscal years 2018 and 2019 may be used for
 614.26 administration.

614.27 **Greater Minnesota Family Medicine**

614.28 **Residency. \$1,035,000 in fiscal year 2017**
 614.29 is from the health care access fund for the
 614.30 greater Minnesota family medicine residency
 614.31 grant program under Minnesota Statutes,
 614.32 section 144.1912. The commissioner may
 614.33 use up to \$35,000 for administration.

614.34 **Health Care Grants for Uninsured**

614.35 **Individuals.** (a) \$50,000 in fiscal year

615.1 2017 is from the health care access fund for
615.2 dental provider grants in Minnesota Statutes,
615.3 section 145.929, subdivision 1.

615.4 (b) \$175,000 in fiscal year 2017 is from
615.5 the health care access fund for community
615.6 mental health program grants in Minnesota
615.7 Statutes, section 145.929, subdivision 2.

615.8 (c) \$600,000 in fiscal year 2017 is from the
615.9 health care access fund for the emergency
615.10 medical assistance outlier grant program
615.11 in Minnesota Statutes, section 145.929,
615.12 subdivision 3.

615.13 (d) \$175,000 in fiscal year 2017 is from the
615.14 health care access fund for community health
615.15 center grants under Minnesota Statutes,
615.16 section 145.9269. A community health center
615.17 that receives a grant from this appropriation
615.18 is not eligible for a grant under paragraph (b).

615.19 **Statewide School-Based Sealant Grant**
615.20 **Program.** \$517,000 in fiscal year 2017
615.21 is from the general fund to implement the
615.22 statewide school-based sealant program
615.23 under Minnesota Statutes, section 144.0615.
615.24 The base for this appropriation is \$615,000
615.25 in fiscal year 2018 and \$717,000 in fiscal
615.26 year 2019.

615.27 **Base Adjustment for Early Dental**
615.28 **Prevention Initiative.** The general fund
615.29 base for the early dental prevention initiative
615.30 is increased by \$64,000 in fiscal year 2018
615.31 and \$64,000 in fiscal year 2019. The
615.32 commissioner shall not use any portion of
615.33 this base increase for administration. This
615.34 paragraph does not expire.

616.1 **Base-Level Adjustments.** The general fund
 616.2 base is increased by \$237,000 in fiscal year
 616.3 2018 and \$339,000 in fiscal year 2019. The
 616.4 health care access fund base is decreased by
 616.5 \$510,000 in fiscal year 2018 and \$510,000 in
 616.6 fiscal year 2019.

616.7 **Subd. 3. Health Protection**

616.8	<u>Appropriations by Fund</u>		
616.9	<u>General</u>	<u>-0-</u>	<u>224,000</u>
616.10	<u>State Government</u>		
616.11	<u>Special Revenue</u>	<u>-0-</u>	<u>873,000</u>

616.12 **Drinking Water Revolving Fund.** \$230,000
 616.13 in fiscal year 2017 is from the general fund
 616.14 for administration of the drinking water
 616.15 revolving fund.

616.16 **Quality of Care Complaints.** \$180,000
 616.17 in fiscal year 2017 is from the state
 616.18 government special revenue fund for
 616.19 managed care organization quality of care
 616.20 complaint investigations. This is a onetime
 616.21 appropriation.

616.22 **Spoken Language Health Care Interpreter**
 616.23 **Registry.** \$358,000 is from the state
 616.24 government special revenue fund for the
 616.25 spoken language health care interpreter
 616.26 registry and registration activities under
 616.27 Minnesota Statutes, chapter 146C. Of this
 616.28 amount, \$280,000 is for onetime start-up
 616.29 costs for the registry and is available
 616.30 until June 30, 2019. The base for this
 616.31 appropriation is \$241,000 in fiscal year 2018
 616.32 and \$156,000 in fiscal year 2019.

616.33 **Clinical Lactation Services Licensing.**
 616.34 \$174,000 in fiscal year 2017 is from the state
 616.35 government special revenue fund for clinical

617.1 lactation services licensure activities under
 617.2 Minnesota Statutes, sections 148.9801 to
 617.3 148.9812. The base for this appropriation is
 617.4 \$54,000 in fiscal year 2018 and \$54,000 in
 617.5 fiscal year 2019.

617.6 **Base Level Adjustment.** The state
 617.7 government special revenue fund base is
 617.8 decreased by \$636,000 in fiscal year 2018
 617.9 and \$658,000 in fiscal year 2019.

617.10 Sec. 4. **HEALTH-RELATED BOARDS**

617.11 <u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>195,000</u>	<u>\$</u>	<u>609,000</u>
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617.12 This appropriation is from the state
 617.13 government special revenue fund.

617.14 <u>Subd. 2. Board of Dentistry</u>		<u>(850,000)</u>		<u>(864,000)</u>
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617.15 <u>Subd. 3. Board of Marriage and Family</u> 617.16 <u>Therapy</u>		<u>40,000</u>		<u>50,000</u>
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617.17 <u>Subd. 4. Board of Medical Practice</u>		<u>-0-</u>		<u>22,000</u>
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617.18 **Genetic Counselor Licensing.** \$22,000 in
 617.19 fiscal year 2017 is from the state government
 617.20 special revenue fund for genetic counselor
 617.21 licensure activities under Minnesota Statutes,
 617.22 chapter 147F.

617.23 <u>Subd. 5. Board of Nursing</u>		<u>-0-</u>		<u>257,000</u>
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617.24 **Massage and Bodywork Therapist**

617.25 **Registration.** \$257,000 in fiscal year 2017
 617.26 is from the state government special revenue
 617.27 fund for massage and bodywork therapist
 617.28 registration activities under Minnesota
 617.29 Statutes, sections 148.982 to 148.9885. The
 617.30 base appropriation in fiscal year 2018 is
 617.31 \$275,000 and \$276,000 in fiscal year 2019.

617.32 **Base Level Adjustment.** The state
 617.33 government special revenue fund base is

618.1 increased by \$18,000 in fiscal year 2018 and
 618.2 \$19,000 in fiscal year 2019.

618.3 Subd. 6. **Board of Pharmacy** 115,000 145,000

618.4 Subd. 7. **Board of Physical Therapy** 890,000 924,000

618.5 **Health Professional Services Program. Of**
 618.6 this appropriation, \$850,000 in fiscal year
 618.7 2016 and \$864,000 in fiscal year 2017 are
 618.8 from the state government special revenue
 618.9 fund for the health professional services
 618.10 program.

618.11 Subd. 8. **Board of Podiatric Medicine** -0- 75,000

618.12 **Orthotist, Prosthetist, and Pedorthist**
 618.13 **Licensing.** \$75,000 in fiscal year 2017 is
 618.14 from the state government special revenue
 618.15 fund for licensure activities under the
 618.16 Minnesota Orthotists, Prosthetist, and
 618.17 Pedorthist Practice Act, Minnesota Statutes,
 618.18 chapter 153B. The base appropriation is
 618.19 \$112,000 in fiscal year 2018 and \$112,000 in
 618.20 fiscal year 2019.

618.21 **Base Level Adjustment.** The state
 618.22 government special revenue fund base is
 618.23 increased by \$37,000 in fiscal year 2018 and
 618.24 \$37,000 in fiscal year 2019.

618.25 Sec. 5. **OMBUDSMAN FOR MENTAL**
 618.26 **HEALTH AND DEVELOPMENTAL**
 618.27 **DISABILITIES** \$ 100,000 \$ 209,000

618.28 **Base Level Adjustment.** The general fund
 618.29 base is increased by \$41,000 in fiscal year
 618.30 2018 and \$41,000 in fiscal year 2019.

618.31 Sec. 6. **DEPARTMENT OF COMMERCE** \$ (210,000) \$ (190,000)

618.32 Sec. 7. Laws 2015, chapter 71, article 14, section 4, subdivision 3, is amended to read:

619.1 Subd. 3. **Board of Dentistry** 2,192,000 2,206,000
 619.2 This appropriation includes \$864,000 in fiscal
 619.3 year 2016 and \$878,000 in fiscal year 2017
 619.4 for the health professional services program.

619.5 Sec. 8. Laws 2015, chapter 71, article 14, section 9, is amended to read:

619.6 Sec. 9. **COMMISSIONER OF COMMERCE** \$ 210,000 \$ 213,000

619.7 ~~The commissioner of commerce shall~~
 619.8 ~~develop a proposal to allow individuals~~
 619.9 ~~to purchase qualified health plans outside~~
 619.10 ~~of MNsure directly from health plan~~
 619.11 ~~companies and to allow eligible individuals~~
 619.12 ~~to receive advanced premium tax credits and~~
 619.13 ~~cost-sharing reductions when purchasing~~
 619.14 ~~qualified health plans outside of MNsure.~~

619.15 Sec. 9. **EXPIRATION OF UNCODIFIED LANGUAGE.**

619.16 All uncodified language contained in this article expires on June 30, 2017, unless a
 619.17 different expiration date is explicit.

619.18 Sec. 10. **EFFECTIVE DATE.**

619.19 This article is effective the day following final enactment.