

# House Research Act Summary

**CHAPTER:** 488

**SESSION:** 2000 Regular Session

**TOPIC:** Omnibus Health and Human Services, Environment, Natural Resources, and Agriculture, Criminal Justice, Economic Development, and State Government Appropriations Bill

**Date:** May 22, 2000

**Analyst:** Listed below

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### **Article 1: Jobs and Economic Development Appropriations**

- 1 **Economic development; appropriations.**
- 2 **Trade and economic development.** Appropriates money for several purposes:
  - \$750,000 for labor force assessment grants;
  - \$1,000,000 for grants to encourage rural Internet access; and
  - \$1,021,000 for the tourism loan fund.Also cancels \$800,000 in unspent funds from a 1997 appropriation for the pathways program, and returns that money to the general fund.
- 3 **Minnesota Technology, Inc.** Appropriates \$200,000 for the e-Business Institute.
- 4 **Housing finance agency.** Appropriates \$500,000 in TANF funds for the family homeless prevention and assistance program.
- 5 **Board of architecture, engineering, land surveying, etc.** Appropriates \$130,000 for enforcement activities. Note that article 2 contains a fee increase for this agency that is expected to produce this amount of revenue.
- 6 **Board of boxing.** Appropriates \$65,000 for the boxing board to fund it through June 30, 2001, when it will sunset under the provisions of article 2. The 1999 bill appropriated no money for fiscal year 2001, because that bill scheduled the board to sunset in June of this year.
- 7 **Department of economic security.** Appropriates \$200,000 for YouthBuild; \$150,000 for alien labor certification; and \$837,000 for summer youth employment programs.

This section also amends 1999 language appropriating money for the displaced homemaker program. The 1999 bill appropriated \$2,049,000 the first year and \$2,054,000 the second year for this program, with \$227,000 of each year's appropriation being from the workforce development fund and the rest from the general fund. This change provides that instead, the entire second-year appropriation is from the workforce development fund. This has the effect of holding program funding steady but returning money to the general fund and taking it from the workforce development fund instead.
- 8 **State services for the blind.** Clarifies provisions regarding limitations on years of service on rehabilitation advisory council.
- 9 **Department of commerce.** This section reduces the total general fund appropriation for the department of commerce by \$300,000 in fiscal year 2000 and by \$700,000 for fiscal year 2001. The section also specifies a reduction in the department's base budget for fiscal years 2002 and 2003. The reductions in this section are based on the realignment of the departments of commerce and public service. The language does not specify how the budget cuts are to be made.
- 10 **Minnesota historical society.** Appropriates \$850,000 for salary adjustments.
- 11 **Department of Finance.** Appropriates up to \$10,000 for the department to consult with the commissioner of finance and with the Minnesota Historical Society to determine the causes and possible solutions to the society's ongoing salary shortfalls.

- 12 **Department of labor and industry.** Appropriates \$90,000 from the workers' compensation fund to administer article 20, sections 11 to 14.
- 13 **Judy Garland museum.** Provides that match for Judy Garland Children's Museum is an equal match of \$200,000, changing an earlier higher match requirement.
- 14 **Upper Red Lake business loan program.** Provides that money appropriated in 1999 for the Upper Red Lake business loan program is available until January 31, 2001.
- 15 **Advantage Minnesota.** Extends the availability of a previous grant to Advantage Minnesota.
- 16 **Job Skills Partnership Board.** Provides that appropriations made to the job skills partnership board in Laws 1999, chapters 223 and 245, do not cancel and are available until expended. Also provides that if the appropriation in either year is insufficient, the appropriation for the other year is available.
- 17 **Workforce center locations.** Requires the commissioner of administration to assist the commissioner of economic security and the board of trustees of MnSCU to develop and report to the legislature on a ten-year plan for the possible location of workforce centers on MnSCU campuses.
- 18 **Unemployment insurance; food services.** Permits contract food service workers for schools to be eligible for unemployment insurance benefits during the summer based on their work during the year.
- 19 **Exemption from additional benefits requirements; Hennepin Paper.** Provides that a reemployment insurance applicant is eligible to receive additional benefits if the applicant was laid off due to lack of work from the Hennepin Paper Company in Morrison County and meets certain other criteria pursuant to chapter 268. Provides that the maximum amount of additional benefits available is 26 times the applicant's weekly benefit amount. This provision expires January 1, 2001.
- 20 **Exemption from additional benefits requirements; Evtac Mining.** Provides that a reemployment insurance applicant is eligible to receive additional benefits if: (1) the claimant was laid off from the Evtac Mining Company in St. Louis County, between June and August 1999; and (2) the commissioner of economic security finds that the applicant satisfies certain provisions in Minnesota Statutes, section 268.125. Provides that this provision does not apply to any applicant who receives, or has an agreement to receive, a retirement pension by the Evtac Mining Company prior to September 1, 2000.
- 21 **Effective date.** Provides that sections 19 and 20 and any appropriation or related rider for fiscal year 2000 are effective the day following final enactment.

## **Article 2: Jobs and Economic Development Policy Provisions**

- 1 **Exception.** Adds the job skills partnership board to an existing exception from certain state contracting requirements. The exception is currently in place for the department of economic security.
- 2 **Term and fees.** Provides that the term of a managing general agent license and the license fees imposed are the same as for a licensed insurance agent.
- 3 **Expiration.** Specifies renewal procedures for mutual fund filings.
- 4 **Mutual fund fees.** Requires that mutual fund fees collected in excess of \$25,000,000 total be refunded to the fee payers.
- 5 **Governance.** This section relates to the rural policy and development center, and allows the center's board to add members if it believes that its membership does not reflect the diversity of rural Minnesota.
- 6 **Partnership program.** Makes a technical modification by changing "nonprofit training institution" to "nonprofit educational institution."
- 7 **Distance-work grants.** Authorizes the job skills partnership board to make grants-in-aid for distance-work projects.

- 8 **Equity investments.** Allows MnSCU to enter into partnerships with private business entities and joint venture agreements for certain purposes.
- 9 **Professional boxing regulation.** Requires the commissioner of health to regulate professional boxing in Minnesota in a manner sufficient to allow the commissioner to act as Minnesota's boxing commission for the purposes of federal law requiring all professional boxing matches to be conducted under the supervision of a state boxing commission. This section is effective July 1, 2001.
- 10 **Fines; penalty.** Increases the penalties by a factor of ten for violations of Minnesota child labor laws. This section is effective October 1, 2000.
- 11 **Rights of next of kin upon death.** Permits a deceased employee's next of kin to receive information from and to consult with the department of labor and industry regarding the department's investigation of OSHA citations against the employer in connection with the employee's death.
- 12 **Procedure for citations.** Conforming change.
- 13 **Penalties.** Conforming change.
- 14 **Presumptive penalty.** Provides that if a serious, willful, or repeated violation of an OSHA standard causes or contributes to an employee's death, there is a presumptive penalty of \$50,000 if there is a willful or repeated violation or \$25,000 if there is only a serious violation or violations.
- 15 **Eligibility window.** Extends the date that renewable energy incentive payments may be made to a qualified hydroelectric facility that is operational and generating electricity from January 1, 2001 to December 31, 2001.
- 16 **Alien labor certification; performance standards.** Provides that the department of economic security shall have as a goal to process completed applications for permanent alien laborers within 60 days of receipt of the completed application.
- 17 **Social Security benefits.** Provides that an applicant's weekly unemployment insurance benefit amount shall be reduced by 50 percent of the weekly equivalent of the primary social security old age or disability benefit the applicant has received, has filed for, or intends to file for, with respect to that week. Provides that regardless of the preceding provision, an applicant shall be ineligible for benefits for any week with respect to which the applicant is receiving, has received, or has filed for social security benefits unless the Social Security Administration approved the collecting of primary social security disability benefits each month the applicant was employed during the base period. This provision applies retroactively to August 1, 1999.
- 18 **Grant applications; awards.** Increases the amount that may be awarded to any single YouthBuild program from \$80,000 to \$150,000 per year.
- 19 **Cost limitations.** Provides that funds allocated to an administrator of a dislocated worker grant may spend a maximum of 15 percent of the grant (current law is ten percent) for support services, but that this may be increased to 20 percent by the commissioner where it is necessary for the particular project.
- 20 **Fees.** Increases licensing and renewal fees for architects, engineers, and other occupations regulated by the same board.
- 21 **Inspection fee schedule.** This section codifies the fees charged for electrical inspections, which are currently in rule. The section also increases these fees.
- 22 **Money order.** Limits the definition of a money order for the purposes of the unclaimed property statutes.
- 23 **Dormancy charge for money orders.** Allows a holder of a money order that is presumed abandoned to deduct a dormancy charge from the money order if certain conditions are met.
- 24 **Presumed abandonment.** Provides that gift certificates and layaway accounts are not intangible property for the purpose of statutes that would require this property to be tracked and remitted to the

department of commerce if it goes unclaimed for a certain period of time.

- 25 **Board of boxing sunset.** This section changes the sunset for the board of boxing from July 1, 2000 to July 1, 2001.
- 26 **Assumption of responsibilities by the commissioner of health.** Requires the commissioner of health to consult with knowledgeable individuals in developing regulation of boxing, and to amend existing boxing rules to conform to federal requirements.
- 27 **Information to be provided.** Requires the commissioner of labor and industry to provide information to employers about the increases in fines provided by section 10.
- 28 **Instruction to revisor.** Changes references to board of electricity rules.
- 29 **Repealer.** Repeals board of electricity rules.

### **Article 3: Environment, Natural Resources and Agriculture**

- 1 **Appropriations.** Provides that the funds appropriated by the bill are appropriated to the agencies specified and for the purposes specified in fiscal years 2000 and 2001 as indicated in the bill.
- 2 **Pollution Control Agency (PCA).** Appropriates \$307,000 in FY 2000 to the pollution control agency. \$306,000 is for administration of the WIF program and is available until June 30, 2001. Requires the PCA to allocate \$104,000 of the appropriation in Laws 1999, chapter 231, section 2, for WIF program administration. \$1,000 is for the air permitting process required to allow an existing resource recovery facility to operate at its maximum yearly capacity as provided in section 30.  
Transfers \$864,000 from the environmental fund to the general fund.
- 3 **Board of Water and Soil Resources Appropriations.** Appropriates \$400,000 in FY 2001 from the general fund to the Board of Water and Soil Resources for professional and technical services to replace wetlands.  
Appropriates \$2,650,000 in FY 2000 for the agricultural land set-aside program created in sections 40 to 43.  
These are both one-time appropriations.
- 4 **Natural Resources Appropriations.** Appropriates \$3,995,000 in FY 2000 to pay the judgment for legal costs incurred by the Bands in the 1837 Treaty litigation. Includes an open appropriation in FY 2000 to pay the interest cost on the legal costs. This interest cost is estimated to be \$78,000 and is based on a 5.67 percent interest rate, compounded annually.  
Appropriates \$1,459,000 in FY 2000 for emergency response equipment and training in Lake, Cook and St. Louis counties.  
Allows 50 percent of the fiscal year 2000 snowmobile maintenance and grooming grants to be used to reimburse the intended recipient for the actual cost of snowmobile grooming equipment incurred in fiscal year 2000.
- 5 **Agriculture appropriations.** Appropriates \$870,000 in FY 2000 and \$869,000 in FY 2001 to the commissioner of agriculture for agriculture initiatives.  
**State meat inspection program.** Appropriates an additional \$494,000 for the meat inspection program. Half of this amount will be reimbursed by USDA.  
**Agroforestry loan program.** Appropriates \$200,000 from the general fund for grants to cooperatives involved in short rotation woody crops. The grants must be matched dollar for dollar by non-state money. This one-time appropriation remains available until expended.  
**Farm business planning software.** Appropriates \$150,000 for a grant to the Center for Farm Financial Management to develop farm business management software to complement existing FINPACK farm management tools. Requires a report to the legislature by March 1, 2001. This is a

one-time appropriation.

**Farm drainage and run-off pollution.** Appropriates \$300,000 to establish research and demonstration projects on farm water quality and quantity management. Actual work is to be done on contract at sites near Lamberton and Waseca. This one-time appropriation remains available until expended.

**Farm advocates.** Appropriates an additional \$150,000 for the farm advocates program.

**Minnesota grown food coupon.** Appropriates \$170,000 for the Minnesota Grown pilot food coupon program established in 1998.

**Farm wrap.** Appropriates \$300,000 for grants to organizations participating in the Farm Wrap and Rural Help networks.

**Appropriation cancellation; dairy producers board.** Cancels the \$25,000 appropriated to the dairy producers board for activities in fiscal year 2001.

- 6 **Appropriation; pseudorabies monitoring and testing.** Appropriates an additional \$245,000 to the Board of Animal Health to continue the swine pseudorabies eradication program.
- 7 **Minnesota Resources.** Extends two 1997 LCMR appropriations for projects experiencing unplanned delays.
- 8 **Aquatic farming license.** Reduces the annual fee for an aquatic farming license from \$275 to \$70.
- 9 **Definition; livestock.** For purposes of livestock dealers and livestock market agencies, the definition of "livestock" is broadened to include "bison." This will afford sellers of bison the same protections (licensing and bonding of buyers) as sellers of other livestock.
- 10 **ACRRA reimbursement payments.** Adds new language to the formula used to calculate maximum payments and percentages that can be reimbursed from the agricultural chemical response and reimbursement account. The current cap of \$200,000 for a corrective action is expanded to \$350,000. However, the percentage of coverage drops to 80% for costs between \$200,000 and \$300,000 and drops further to 60% for costs between \$300,000 and \$350,000.
- 11 **Ethanol producer payments.** Changes the language of the ethanol producer payment program:
  - All producers are reminded that state payments for all ethanol production will end as of June 30, 2010.
  - A requirement that all increases in production capacity be on-line by June 30, 2000, is eliminated.
  - Increases maximum ethanol producer payments in a fiscal year to \$37,000,000.
  - Allows a producer to file a single claim for all eligible production.
  - Strikes existing language requiring that if the appropriation for a quarter is insufficient to pay all claims that the available dollars will be paid on the basis of first in production. It is assumed that full funding will be available during the balance of the producer payment program.
  - Allows the six ethanol plants that have their ethanol producer payments eligibility capped at production levels of at least 12 million gallons but less than 15 million gallons to receive payment on production up to 15 million gallons per year.
  - Allows an ethanol producer to recover ethanol producer payments in the eighth quarter of a biennium if the producer lost production in previous quarters because of plant outages, repair, or major maintenance. The plant is only eligible to receive the additional eighth quarter payment for production that is above 3,750,000 gallons in the eighth quarter.
- 12 **RFA program eligibility.** Existing statute establishes a lifetime total of \$100,000 in assistance to any one farmer. An amendment strikes the lifetime limit.

- 13 **Eligibility; restructured loan program.** Establishes a maximum net worth for an applicant in the restructured loan program of \$400,000 in 1999 and indexes the number in subsequent years to account for inflation.
- 14 **State participation; beginning farmer program.** Increases maximum state participation in a loan to a beginning farmer from \$100,000 to \$125,000.
- 15 **State participation; restructuring loan program.** Increases maximum state participation in a restructuring loan from \$100,000 to \$150,000.
- 16 **State participation; seller-sponsored loan program.** Increases maximum state participation in a seller-sponsored loan from \$100,000 to \$125,000.
- 17 **State participation; agricultural improvement loan program.** Increases maximum state participation in an agricultural improvement loan from \$100,000 to \$125,000.
- 18 **State participation; livestock expansion loan program.** Establishes a maximum net worth for an applicant in the livestock expansion loan program of \$400,000 in 1999 and indexes the number in subsequent years to account for inflation. The state's participation in a livestock expansion loan remains at \$250,000.
- 19 **Agroforestry loan program.**

**Subd. 1. Purpose.** Identifies the purpose of the loan program as a means of transitioning traditional agricultural producers to the multi-year production of agroforestry products.

**Subd. 2. Establishment.** Authorizes the commissioner of agriculture to implement a program of loans through a fiscal agent to help finance the production of short rotation woody crops.

**Subd. 3. Rules.** Authorizes the commissioner to adopt rules for the agroforestry loan program.

**Subd. 4. Definitions.** Defines terms including "fiscal agent," "growing cycle," "harvest," and "short rotation woody crops."

**Subd. 5. Eligibility.** Establishes that to be eligible for the agroforestry loan program a borrow must:

- 1) be a resident or an entity eligible to own farmland under Minnesota's corporate farm law;
- 2) be or plan to become a grower of a short-rotation woody crop on suitable agricultural land;
- 3) be a member of a marketing cooperative;
- 4) demonstrate the ability to repay the loan;
- 5) not receive more than \$150,000 in lifetime assistance under the agroforestry loan program;
- 6) agree to work with public agencies or an agroforestry cooperative on an acceptable crop establishment and maintenance plan;
- 7) agree not to plant short-rotation woody crops within 1/4 mile of state or federally protected prairie; and
- 8) meet any other requirements established by the RFA.

**Subd. 6. Loans.** Allows the RFA to disburse loans through a fiscal agent to eligible borrowers for loans up to \$75,000 for a term up to 12 years. A borrower may receive a loan for up to 160 planted crop acres in an amount not to exceed:

- the total amount to establish the crop;
- the total amount of maintenance costs during the first three years of the crop; and
- 70 percent of the estimated value of the crop growth in years four to 12.

This section also provides:

- for the security necessary for the loan;
- for establishment of a loan application process by the RFA;
- an RFA application fee initially set at \$50;
- that the loans will be made from the agroforestry account established in subdivision 7;
- that the interest rate on the loans may be set by the RFA; and
- that the loan principal and interest must be repaid by 120 days after harvest or by 15 years after the crop is planted, whichever is earlier.

**Subd. 7. Revolving fund.** Establishes an agroforestry revolving fund for deposit of appropriations, loan repayments, and interest earned on the fund. All repayments of financial assistance must be deposited in the fund. Money in the fund, including interest earned, is appropriated to the Commissioner of Agriculture for the agroforestry loan program.

**Subd. 8. Revenue bonds.** The Rural Finance Authority is given the option of issuing revenue bonds to finance the agroforestry loan program.

- 20 **Big Bog State Recreation Area.** Creates the Big Bog State Recreation Area in Beltrami County.
- 21 **Red River State Recreation Area.** Establishes the Red River State Recreation Area in Polk County.
- 22 **Mill Towns Trail.** Authorizes a new state trail to connect the Sakatah Singing Hill State Trail to the Cannon Valley Trail, connecting Faribault to Cannon Falls.
- 23- **Upper Bluff at Fort Snelling State Park.** Provides for the lease of Fort Snelling State Park land  
25, on the upper bluff.  
39

**Section 23** adds recreational and educational purposes to the lease authorization for the upper bluff area, makes changes to the area subject to the lease, and allows the lease to contain provisions for the tenant to make capital improvements in lieu of rent payments.

**Section 24** provides that the lease receipts will be deposited in the state parks working capital account and creates a statutory appropriation of the receipts from the account for leasing and operation expenses, and for historic preservation.

**Section 25** allows the Commissioner of Natural Resources to provide exceptions to state park rules for the upper bluff area.

**Section 39** provides exceptions to the general provisions for the upper bluff area related to the existing lease with the city of Minneapolis. This section provides that the base rent and percentage of gross sales from the lease shall be deposited in the general fund and allows a lease of Officer's Row and Area J to contain a provision for the repayment of up to \$450,000 to the Minneapolis Park and Recreation Board for a portion of the installation of a new water line.

- 26 **Game and Fish Fund Receipts.** Adds the revenue from the in lieu of sales tax on lottery tickets to the list of money credited to the Game and Fish Fund.
- 27 **Drainage funding.** Allows a drainage authority to accept outside funding sources for a variety of water projects to protect the environment.
- 28 **Citation authority.** Extends the 90-day fix-it ticket (i.e. a letter from the PCA giving notice that if a violation is not fixed within 90 days, a citation will be issued) to most violations of the rules applicable to above-ground storage tanks and to the law governing

response plans for above ground storage tanks and for trucks. Under existing law, the 90-day fix-it ticket authority applies to rules relating to underground tanks and to certain storage laws relating to both above and below ground storage tanks.



Provides that 90-day fix-it tickets may only be issued until June 1, 2004, and that such fix-it tickets may not be issued if there is a discharge associated with the violation, if there is a violation of the rule governing secondary containment for above ground storage tanks, or if there is a violation of the rule governing substance transfer from tanks.

- 29 **In Lieu of Sales Tax on Lottery Tickets; Revenue Transfer.** Dedicates 97 Percent of the revenue from the in lieu of sales tax on lottery tickets for specific natural resource purposes (currently estimated to be about \$24.6 million per year), beginning on July 1, 2000, and 87 percent annually thereafter. The amounts and purposes are:

- 50 percent for improvement, enhancement, and protection of game fish and resources;
- 22.5 percent for state parks and trails;
- 22.5 percent for metropolitan parks and trails;
- 3 percent for local trail grants; and
- 2 percent is for the Minnesota Zoological Garden, Como Zoo and Conservatory, and the Duluth Zoo.

The money dedicated under this section may not be used as a substitute for traditional sources of funding but may be used as a supplement to those sources. Any land acquired with money dedicated for improvement and enhancement of fish and wildlife resources must be open to public hunting and fishing during the open season. At least 87 percent of the money dedicated for improvement, enhancement, and protection of fish and wildlife resources must be allocated for expenditure in regional and local area offices.

- 30 **Hennepin County Resource Recovery Facility.** Allows Hennepin County to use an existing resources recovery facility to process mixed municipal solid waste to the maximum capacity even though it is in excess of the 1,000 tons per day restriction in existing law. Hennepin County must be in compliance with federal and state environmental laws and obtain a conditional use permit from the city of Minneapolis.
- 31 **Leased lakeshore lot deeds.** Exempts leased lakeshore lots that are exchanged with counties from certain statutes relating to well disclosure, well sealing and individual sewage treatment system disclosure.
- 32 **1998 Regional Trail Grant Appropriation.** Amends a 1998 appropriation for an Anoka county regional trail grant to allow the money to be used for trail amenities.
- 33 **Malformed frog research appropriation.** Amends the appropriation in Laws 1999, chapter 231, for malformed frog research to provide that the funds for FY 2001 are from the environmental fund, rather than the general fund as provided in Laws 1999, chapter 231.
- 34 **1999 BOWSR Appropriation.** Amends the 1999 appropriation to the Board of Water and Soil Resources to remove priorities for feedlot cost-share grants for feedlots with notices of violations and feedlots located in certain counties that have advanced feedlot inventories. Specifies a \$90,000 amount in the second year from a 1999 appropriation grant to Blue Earth soil and water conservation district.
- 35 **Ethanol producer payments.** Amends the 1999 ethanol program appropriation by increasing the overall appropriation cap to \$72,106,000 to allow for larger production payments.  
This section also makes minor technical changes.
- 36 **1999 AURI appropriation; technical.** is a technical change related to a fund name change.
- 37 **Agricultural storage tank removal.**  
**Subd. 1. Definition.** Defines "agricultural storage tank" as an underground petroleum storage tank with a capacity of more than 1,100 gallons that has been registered with the PCA by January 1, 2000 and is located on a farm and used predominantly for farming purposes.

**Subd. 2. Reimbursement.** Requires the Petrofund board to reimburse the owner or operator of an agricultural storage tank for 90 percent of the costs incurred prior to January 1, 2001, associated with removing such a tank, including but not limited to the cost of tank removal, closure, backfill, resurfacing, and utility restoration costs. Provides that the owner or operator shall be reimbursed regardless of whether a petroleum spill has occurred at the site. Caps the amount of reimbursement under this section at \$7,500 per agricultural storage tank.

38 **Small gasoline storage tank removal reimbursement.**

Allows the Petroleum Release Compensation Board to reimburse a tank owner for 95 percent of the costs of cleanup and tank removal, if the tank owner owned two locations that were operated for at least six months in 1995 and less than 200,000 gallons were dispensed at both locations. This provision is effective until June 30, 2001.

39 **Fort Snelling State Park.** (See sections 23-25)

40 **Acreage set aside program; definitions.** Defines agricultural land eligible for the acreage set aside program. Defines "Board" to mean the Board of Water and Soil Resources. Also defines "short rotation woody crops" and "windbreak."

41 **Eligibility terms.** Limits land eligible for each landowner to 160 acres. Land eligible for payment in FY 2000 must be in a county under a presidential disaster declaration in 1998 or 1999. After FY 2000, land eligible for payment must be in a county under a presidential disaster declaration related to agriculture. Eligible land may be set aside for three years. At least 5% of an individual's set aside land must be planted with short woody crops or windbreaks, except that planting can not be closer than 1/4 mile from a state or federally protected prairie.. Land enrolled in the federal conservation reserve program under Public Law Number 99-198 is not eligible for the program.

42 **Payments.** Set aside payments will be made for eligible acres based on soil rental rates under the CRP program. An additional \$5.00 per acre may be paid for land maintenance.

43 **Administration.** Soil and water conservation districts will administer the program under guidelines prepared by the Board of Water and Soil Resources.

44 **Repealer.** Repeals a section in H.F. 3046, if enacted, as the language is contained in section 29 here.

45 **Effective date.** Provides that section 10 is effective the day following final enactment and applies to claims for corrective action costs incurred after that date. Sections 11 and 35 are effective retroactive to July 1, 1999. The remainder of the article is effective the day following final enactment.

## **Article 4: Appropriations**

### **Overview**

This article contains appropriations for the courts, public safety, corrections, sentencing guidelines, Minnesota Safety Council, University of Minnesota and transfers funds from the automobile theft prevention special revenue account to the general fund. It also reduces appropriations for crime victims ombudsman and corrections ombudsman.

1 **Criminal justice appropriations.** Specifies the type of fund and fiscal years.

2 **Supreme Court.** Specifies an amount for a judicial seminar on parenting plans.

3 **Court of Appeals.** Specifies an amount to restore legal/judicial support services.

4 **District courts.** Specifies an amount to reduce judge unit vacancies and restore judicial branch infrastructure, specifies an amount for second judicial district community courts and specifies an amount to reimburse Carlton county for extraordinary prosecution costs.

## 5 **Public Safety.**

**Subd. 1. Appropriation.** Specifies amounts spent from total appropriations.

**Subd. 2. Driver and vehicle services.** Specifies an amount for costs related to the recodification of driving while impaired law.

**Subd. 3. Emergency management.** Specifies an amount for fiscal year 2000 for the state match of federal disaster assistance payments.

**Subd. 4. Criminal apprehension.** Specifies an amount for overtime costs and for a court security training program.

**Subd. 5. Law enforcement and community grants.** Specifies amounts for juvenile prostitution law enforcement training grants, for a Ramsey County domestic assault and child abuse prosecution unit, and grants for the purchase of drug-sniffing dogs. Transfers the FY 2001 appropriation from the auto theft prevention board to the department of public safety. **[The governor vetoed the appropriation for grants for drug-sniffing dogs.]**

**Subd. 6. Drug policy and violence prevention.** Specifies an amount for participating counties to use to meet federal matching grant requirements.

- 6 **Center for Crime Victim Services.** Specifies an amount for per diem payments during the administrative transfer from the department of human services to the department of public safety and an amount for a grant to metropolitan state university for a domestic violence shelter study.
- 7 **Corrections.** Specifies an amount for construction grants for regional jails; specifies an amount for predesign of a joint headquarters for the departments of corrections and public safety, requires the commissioner to predesign a vocational building for MCF-St. Cloud, and reduces the current appropriation for juvenile residential treatment grants. **[The governor vetoed the appropriation for grants for regional jails.]**
- 8 **Auto Theft Prevention Board.** Reduces the FY2000 transfer from the auto theft prevention account to the department of public safety and makes a one-time transfer from the auto theft prevention account in the special revenue fund to the general fund.
- 9 **Sentencing Guidelines Commission.** Specifies an amount for salary increases.
- 10 **Minnesota Safety Council.** Specifies an amount to fund crosswalk safety awareness programs.
- 11 **University of Minnesota.** Specifies an amount for updating the parent education curriculum.
- 12 **Law enforcement and community grants.** Amends 1999 session law to remove references to driving simulators.
- 13 **Automobile theft prevention board.** Amends 1999 session law to remove references to driving simulators and to eliminate the FY 2001 appropriation to the auto theft prevention board.
- 14 **Corrections Ombudsman.** Reduces the fiscal year 2001 appropriation.
- 15 **Crime Victims Ombudsman.** Reduces the fiscal year 2001 appropriation.

## **Article 5: Courts**

### **Overview**

This article increases petty misdemeanor and misdemeanor fines, authorizes an automated victim notification system and requires a court security training program.

- 1- **Maximum fine for petty misdemeanors and misdemeanors.** Increases petty misdemeanor fines from \$200 to \$300 and misdemeanor fines from \$700 to \$1,000.
- 9 **Automated victim notification system.** Requires courts and state and local correctional facilities to consider implementing an automated victim notification system. Requires the Commissioner of Public Safety in cooperation with other commissioners to provide financial assistance to implement

these systems. Authorizes the commissioners to determine the extent and manner of the financial assistance.

- 10 **Court security training program.** Requires the Superintendent of the BCA to develop and implement a court security training program for court and law enforcement personnel and specifies what the program is to include.

## **Article 6: Public Safety**

### **Overview**

This article changes the automobile theft prevention program, defines crosswalk and delineates pedestrian and driver duties, establishes a law enforcement training program covering juvenile prostitution, creates a capitol complex security oversight council, continues crosswalk safety awareness programs, establishes a joint domestic abuse prosecution pilot project and requires a study of domestic violence shelter.

- 1 **Surcharge.** Makes the commissioner of public safety responsible for collecting the auto theft prevention surcharge and limits the surcharge to policies of insurance covering automobiles, pick-ups, vans and motorcycles.
- 2 **Automobile theft prevention account.** Authorizes the department of public safety to use the auto theft special revenue account for auto theft prevention programs.
- 3 **Rights in absence of signal.** Provides that drivers of motor vehicles must stop to yield the right-of-way to a pedestrian crossing a roadway at an intersection without a marked crosswalk. Requires drivers to remain stopped until the pedestrian has crossed the lane in which the vehicle is stopped.
- 4 **Crossing between intersections.** Provides that pedestrians crossing roadways at any point other than within a marked crosswalk or at an intersection without a marked crosswalk, must yield the right-of-way to vehicles.
- 5 **Pedestrian safety crossings.** Authorizes a local road authority to pass ordinances providing for the designation of pedestrian safety crossings on highways under the authority's jurisdiction where pedestrian safety considerations require extra time for pedestrian crossing. Provides that cities other than cities of the first class may designate a pedestrian safety crossing only with the approval of the road authority.
- 6 **Juvenile prostitution law enforcement and officer training grants.** Establishes and codifies a grant program for enhanced law enforcement efforts and peace officer education and training to combat juvenile prostitution. Specifies the goals of the program. Requires the Commissioner of Public Safety to make grants to local law enforcement agencies to provide enhanced efforts targeted to juvenile prostitution and training and staff development relating to the prevention of juvenile prostitution. Requires law enforcement agencies to use all the money received for efforts to combat juvenile prostitution. Specifies the grant application process.
- 7 **Automobile theft prevention program.**
  - Subd. 1. Program described.** Specifies the duties and power of the program. Specifically, the program shall:
    - develop and sponsor the implementation of statewide plans, programs and strategies to combat automobile theft, improve the administration of the automobile theft law and identify critical problems that people dealing with automobile theft encounter;
    - promote interagency and intergovernmental cooperation with respect to automobile theft enforcement;
    - perform various auditing duties;
    - develop various plans; and

- distribute money for various automobile theft prevention activities.

Limits the program's administrative and operating costs to 10% of the fund.

**Subd. 2. Report required.** Requires the commissioner to report to the Governor and the Legislature on activities and expenditures.

- 8 **Capitol complex security oversight committee.** Creates the Capitol Complex Security Oversight committee and specifies who is to serve on it. Requires the committee to:
- develop a short- and long-term plan relating to providing necessary security; security;
  - develop guidelines to evaluate the methods by which this security is provided; provided;
  - evaluate the budget for providing this security and make annual budgetary budgetary recommendations to the Legislature; and
  - provide oversight to the entity providing capitol area security and make annual annual reports to the Legislature on the entity's effectiveness.
- 9 **Crosswalk safety awareness grants.** Requires the Minnesota Safety Council to continue its crosswalk safety awareness program and specifies program duties.
- 10 **Joint domestic abuse prosecution unit.** Establishes a pilot project to develop a joint domestic abuse prosecution unit administered by the Ramsey County Attorney's office and the St. Paul City Attorney's office. Specifies the goals of the project and requires a report to the Legislature.
- 11 **Domestic violence shelter study.** Requires the Center for Applied Research and Policy Analysis at Metropolitan State University to study and make recommendations to the Legislature on issues relating to providing shelter for domestic violence victims. Specifies what the study is to include and requires that the recommendations be made by March 15, 2001.
- 12- **Auto theft prevention board repealed. Repeals the automobile theft prevention board.**
- 13

## Article 7: Corrections

### Overview

This article specifies the manner for calculating and reporting per diems for adult facilities, reduces a county's per diem share for juvenile placements at Red Wing and specifies placement and commitment criteria for Red Wing, requires reports, and authorizes the transfer of state property.

- 1 **Per diem calculation.** Requires the commissioner of corrections to develop a uniform method of calculating per diems for adult facilities. Requires that in addition to costs currently factored into the per diem, it include an appropriate percentage of capital costs for facilities and the department's management services budget. Requires the commissioner to ensure that this new per diem method is used in all future instances in which a per diem charge is reported. Requires the commissioner to report to the Legislature by January 15, 2001.
- 2 **Charges to counties.** Charges counties 65% of the per diem costs for placements at Red Wing and makes corrections responsible for the remaining 35%. Also changes the manner of calculating the per diem from the actual cost of confinement to a cost that balances expenses and revenues over a two year period based on population, pricing incentives and market conditions. Sunsets these provisions June 30, 2001.
- 3 **Juvenile residential treatment grants.** Codifies current distribution and reporting requirements for juvenile residential treatment grants. Requires the commissioner to summarize the counties' reported uses for the legislature.
- 4 **Red Wing.** Amends current law to allow for placement of juveniles who meet established admissions criteria and clarifies that Red Wing is for serious chronic offenders that cannot be treated locally.

- 5 **Commissioner duties.** Makes technical changes to conform to current law.
- 6 **Pupils.** Allows placement of extended juvenile jurisdiction offenders serving a juvenile sentence.
- 7 **Placement at Red Wing.**

**Subd. 1. Prohibition on out-of-state placement.** Requires that the Red Wing admissions criteria include a requirement that the referring county exhaust all appropriate alternative in-state placements. Requires that before a court orders a delinquency or extended jurisdiction juvenile disposition, it determine whether the child meets the established admissions criteria for MCF-Red Wing. If the child meets the criteria, requires the court to place the child at the facility unless the court finds the safety of the child or the safety of the community can best be met by placement in an out-of-state facility or that the out-of-state facility is closer to the child's home.

**Subd. 2. Report required.** Requires a court making an out-of-state placement to report to the sentencing guidelines commission (1) the reasons for the placement (2) in-state alternatives considered (3) reasons for not choosing the in-state facility (4) reasons the child did not meet the admissions criteria for Red Wing and (5) if the child met Red Wing admissions criteria, the reasons why the safety needs of the child or community could not be met at MCF-Red Wing. Requires the commission to report to the legislature.

- 8 **Mandatory commitment.**

**Subd. 1. Definitions.** Defines:

- chemical dependency treatment
- failed or refused to complete treatment
- probation and
- sex offender treatment
- for the purposes of determining when a juvenile must be committed to the commissioner of corrections.

**Subd. 2. When commitment required.** Requires courts to commit juveniles to the commissioner of corrections or place a juvenile at MCF-Red Wing when:

- the juvenile previously committed an offense that would require registration as a predatory offender;
- was placed on probation for the offense and ordered to complete sex offender or chemical dependency treatment; and
- failed or refused to successfully complete treatment.

In the case of extended juvenile jurisdiction offenders meeting these criteria, courts may either execute the offender's adult sentence or comply with the provisions of this subdivision.

Allows courts to make an out-of-state placement if that placement best serves the safety of the child or community or the out-of-state facility is closer to the child's home. Requires a finding on the record.

**Subd. 3. Report required.** Requires courts to report placements to the sentencing guidelines and requires the commission to summarize these reports and provide the information to the legislature.

- 9 **Legislative intent.** States that it is the legislature's intent to encourage placements at Red Wing rather than out-of-state and except for mandatory commitments, it is not the legislature's intent to discourage placements at other Minnesota facilities.
- 10 **Study; report.** Requires the commissioner of corrections, in consultation with counties, to study the state's juvenile correctional system as it relates to serious and chronic offenders. Specifies what the study must analyze and propose. Requires the commissioner to report the study's findings and proposals to the legislature by January 15, 2001.

- 11 **Report.** Requires the commissioner to report by January 15, 2001 on the impact of the per diem changes and to specifically address the impact on placements at Thistledeew Camp. Requires the commissioner consult with counties and recommend approaches to achieve financial stability at Red Wing.
- 12 **Conveyance of state land.** Authorizes the transfer of state property to the central Minnesota regional jail joint power group for government use.

## **Article 8: Appropriations**

### **Overview**

Article 8 makes appropriations for the departments of human services and health, and for the board of psychology, that are in addition to the appropriations for fiscal years 2000 and 2001 made in the 1999 Omnibus Health and Human Services Appropriations bill (Laws 1999, chapter 245.) This article also appropriates an additional \$100.440 million for fiscal years 2000 and 2001 of the state's federal Temporary Assistance to Needy Families (TANF) block grant funds over the amounts that were appropriated in the 1999 law, and it also set some TANF base level expenditures for various activities for the 2002-2003 biennium.

- 1 **Health and Human Services appropriations.** Specifies that the total appropriations, for all state funds, made in the article are \$11.744 million in FY 2000 and \$85.644 million in FY 2001.
- 2 **Commissioner of human services.** Specifies that the total human services appropriations, for all state funds, made in the article are appropriations of \$11.594 million in FY 2000 and \$84.604 million in FY 2001.

Specific appropriations and reductions include:

- deficiency appropriations for the adoption assistance and relative custody assistance programs: \$2.474 million total in fiscal years 2000 and 2001 for adoption assistance; and \$1.368 million total in fiscal years 2000 and 2001 for relative custody assistance
- authorization for the commissioner to apply for a private foundation grant, and dedication of any federal matching funds received for the health care access project funded by the grant
- a requirement that the commissioner provide advance capitation payments of up to \$500,000 each time in June, 2001 and June, 2002 to county-based purchasing sites, and that these advance payments be recovered from the following month's per capita payments
- an appropriation of \$444,000 in fiscal year 2001 for a one-year increase of 10¢ per mile in the mileage reimbursement rates paid by MA and GAMC for special transportation
- a general fund reduction to state operated services programs and activities of \$1.495 million in fiscal year 2001
- an appropriation of \$7,000 for a three percent reimbursement rate increase for the epilepsy living skills training program
- providing base level funding of \$175,000 for the home share program (under M.S. § 256.973) for fiscal year 2002
- an appropriation of \$400,000 in fiscal year 2001 for: (1) grants to organizations in the farm wrap and rural help networks, to be used for mental health services and emergency services for farmers; and (2) mental health counseling support to farm families and business operators through the farm business management program at Central Lakes College and Ridgewater college
- one-time funding of \$248,000 in fiscal year 2001 from the Lottery Prize Fund for the compulsive gambling treatment program; the funding is earmarked for grants to Gamblers Intervention Services, the Minnesota Arrowhead Region Gambling Treatment Alliance, and

## Gamblers Choice

This section also appropriates additional federal TANF funds to the commissioner for a variety of specified purposes, including:

- \$11.68 million for additional grants to counties to serve hard-to-employ MFIP recipients (\$20.180 million is also provided each year in FY 2002 and FY 2003 for these grants.)
- \$7 million for distribution by the commissioner of health to county public health boards for home visiting programs to serve low-income families (\$7 million is also provided each year in FY 2002 and FY 2003 for these programs.)
- \$1.32 million for other one-time MFIP employment-related initiatives
- \$320,000 (per year for three years, from FY 2001-FY 2003) to train MFIP job counselors
- \$1 million (per year for three years, from FY 2001-FY 2003) for an out of wedlock pregnancy prevention program for eligible youth who are at risk of prostitution
- \$1 million (per year for three years, from FY 2001-FY 2003) for a supportive housing and managed care MFIP pilot project
- \$7.5 million each year in FY 2001 and 2002, which is transferred from the TANF block grant to the state's federal Title XX social services block grant, for counties to increase social services to low-income families with children.

The total amounts of additional federal TANF funds appropriated are \$20 million in FY 2000, and \$68.394 million in FY 2001. Other adjustments to TANF forecasted expenditures, and a transfer to the state's Child Care Development Fund block grant, are also made in this section.

A separate rider in this section establishes a mechanism for legislative oversight of the expenditures that the state must report to meet the federal TANF maintenance of effort (MOE) expenditure requirements. The rider specifies which non-federal expenditures can be used to meet the MOE requirements, and provides for interim review of TANF MOE expenditures by the Legislative Commission on Planning and Fiscal Policy.

A separate rider in this section transfers \$50 million in general fund appropriations to the Minnesota Housing Finance Agency's (MHFA) housing development fund for two new programs. Of this total, \$20 million is for a loan to Habitat for Humanity of Minnesota, to finance mortgages for new homebuyers. The remaining \$30 million is for the affordable rental investment fund program (M.S. § 462A.21, subd. 8b), to finance rental housing units that serve families who are receiving MFIP assistance, or who have left MFIP because of increased earnings or child support collections.

A separate rider in this section provides that the following specified portion of the expenditures under the state's Working Family tax credit program will be made with TANF funds, rather than state general fund dollars: in FY 2000, \$20 million; and in FY 2001, \$40.449 million.

**3 Commissioner of health.** Specifies that the total health appropriations, for all state funds, made in the article are appropriations of \$1.040 million in FY 2001. Provisions in this section:

- Appropriate \$790,000 in one-time funding in FY 2001 for the state poison information centers program
- Reduce the general fund base for the state poison information centers program by \$380,000 each year in FY 2002 and FY 2003
- Appropriate \$75,000 in FY 2001 for the commissioner to respond to complaints about funeral and preneed services, and require recommendations on whether there is a need for additional funding for ongoing implementation and on a non-general fund source of funding
- Appropriate \$175,000 in one-time funding in FY 2001 to expand access to free screening and testing for sexually transmitted infections

**4 Health-related boards.** In subdivision 2, makes a one-time appropriation of \$150,000 in FY 2000



from the state government special revenue fund to the Board of Psychology, for the board's extraordinary legal costs.

- 5 **Carryover limitation.** Prohibits any of the health and human services funding that is allowed to be carried forward from the first to the second year of the biennium from becoming part of an activity's base level funding, unless specifically directed.
- 6 **Sunset of uncodified language.** Provides that all uncodified language in this article expires June 30, 2001, unless there is a different expiration date explicit in the language of an uncoded provision.
- 7 **Effective date.** Provides that the appropriations and reductions for FY 2000 in this article are effective the day following final enactment.

## **Article 9: Health Care**

### **Overview**

This article contains provisions related to health care programs and initiatives administered or regulated by the commissioners of human services and health. The article:

- provides exceptions to the hospital moratorium (section 1) and the nursing home moratorium (section 2);
  - allows nursing facilities to place beds on layaway status (sections 3 and 21);
  - expands MA coverage of marriage and family therapy services (sections 4 and 16);
  - expands eligibility for the senior drug program, by increasing the asset limit and allowing disabled Medicare enrollees under age 65 to enroll (sections 10 and 15);
  - provides an additional increase in nursing facility per diem rates of \$1.00 plus an amount of up to \$3.13, for the second year of the biennium (section 19);
  - provides rate increases for specific nursing facilities (sections 20 and 22);
  - provides an additional rate increase for the second year of the biennium of three percent for ICFs/MR (section 23);
  - provides an additional rate increase for the second year of the biennium of three percent for direct care providers (section 29); and
  - contains other initiatives and makes other changes related to health care.
- 1 **Restricted construction or modification.** Amends § 144.551, subd. 1. Provides an exception to the hospital moratorium for a construction project involving the addition of up to 31 new beds in an existing nonfederal hospital in Beltrami county.
  - 2 **Exceptions for replacement beds.** Amends § 144A.071, subdivision 4a. Creates three new exceptions to the nursing home moratorium: (1) to license and certify a new 44-bed facility in St. Louis County to replace an existing 31-bed facility with safety concerns related to an antiquated elevator; (2) to license and certify four beds in a facility to replace beds that were voluntarily delicensed and decertified on or before March 31, 1992; and (3) to license and certify 72 beds in an existing 80-bed facility in Mille Lacs County as part of a renovation project.
  - 3 **Licensed beds on layaway status.** Amends § 144A.071, by adding subd. 4b. Allows nursing facilities to lay away up to 50 percent of their licensed and certified beds, with 60 day written notice to the commissioner of health. Prohibits a facility from discharging a resident in order to lay away a bed. Specifies that beds on layaway have the same status as voluntarily delicensed and decertified beds, and are exempt from license and license surcharge fees. Allows beds to remain on layaway for up to five years, and to be removed from layaway beginning one year after the effective date of the layaway, with 60 day notice to the commissioner of health. Prohibits facilities that remove beds from layaway from placing beds on layaway for one year. Allows the commissioner to approve the

immediate removal of beds from layaway, if necessary to provide access.

- 4 **Unlicensed practice prohibited.** Amends § 148B.32, subdivision 1. Strikes language that prohibits marriage and family therapists from being reimbursed under medical assistance unless the services are provided through a community mental health center or under contract with a managed care organization.
- 5 **Olmsted county licensing exemption.** Amends § 252.28, by adding subd. 3b. Authorizes the Commissioner of Human Services to license service sites with up to five beds each to serve residents moving from a 43-bed intermediate care facility for persons with mental retardation located in Olmsted County that is closing. State law governing group residential housing maximum rates applies to the new sites.
- 6 **Specific powers.** Amends § 256.01, subd. 2. Requires prescription drug program rebate agreements for prescription drugs delivered on or after July 1, 2002, to include rebates for covered individuals under age 65. Also makes a conforming change related to expansion of the program.
- 7 **Establishment.** Amends § 256.955, subd. 1. Changes the name of the "senior drug program" to "prescription drug program" and strikes obsolete language.
- 8 **Definitions.** Amends § 256.955, subd. 2. Strikes eligibility criteria for the senior drug program (reinstated elsewhere) and makes conforming changes related to the expansion of the program.
- 9 **Eligibility.** Amends § 256.955, by adding subd. 2a. Reinstates current eligibility criteria for the senior drug program that had been stricken in section 8.
- 10 **Eligibility.** Amends § 256.955, by adding subd. 2b. Effective July 1, 2002, expands eligibility for the senior drug program to include Qualified Medicare Beneficiaries (QMBs) under age 65. (This has the effect of expanding eligibility to include disabled Medicare enrollees with incomes that do not exceed 100 percent of the federal poverty guidelines, which is the QMB income limit.)
- 11 **Application procedures and coordination with medical assistance.** Amends § 256.955, subd. 4. Makes conforming changes related to the expansion of eligibility for the prescription drug program.
- 12 **Report.** Amends § 256.955, subd. 8. Makes conforming changes related to the expansion of eligibility for the prescription drug program.
- 13 **Program limitation.** Amends § 256.955, subd. 9. Strikes language repealing the senior drug program if the federal government approves a waiver to provide drug coverage for qualified Medicare beneficiaries with incomes that do not exceed 150 percent of the federal poverty guidelines. Also makes conforming changes.
- 14 **On-site coordination (OSC) services projects.** Amends § 256.9751. Modifies the congregate housing services statute. Significant changes include:
  - expanding the definition of congregate housing to include nonsubsidized low- and moderate-income multifamily housing that may not have common areas;
  - reducing the minimum age for participation from 60 to 55; and
  - transferring authority for the grant program to the Commissioner of Human Services from the Board on Aging.
- 15 **Qualified Medicare beneficiaries.** Amends § 256B.057, subd. 3. Effective October 1, 2000, increases the asset limit for QMBs to \$10,000 for a single individual and \$18,000 for a married couple or family of two or more (current asset levels are \$4,000 and \$6,000 respectively for these groups). This also has the effect of raising the asset limit for enrollees in the prescription drug program, and Medicare enrollees with incomes that do not exceed 120 percent of the federal poverty guidelines who are eligible for MA payment of Part B premiums, since these two groups of individuals use the QMB asset limits.
- 16 **Mental health professional.** Amends § 256B.0625, by adding subd. 41. Includes licensed marriage

and family therapists, who meet the definition of mental health professional in the children and adult mental health acts, in the definition of mental health professional for the purpose of medical assistance reimbursement.

**17 Medical assistance reimbursement of case management services.** Amends § 256B.094, subd. 6. Allows payments to tribes for case management services to be made according to a federally approved rate setting methodology.

**18 Special provisions for moratorium exceptions.** Amends § 256B.431, subd. 17.

The amendment to paragraph (g) modifies the definition of total replacement, in the statute governing special reimbursement provisions for moratorium exceptions, by expanding the term to include a new building addition to relocate beds from three- and four-bed wards.

The amendment to paragraph (h) provides that the reimbursable per-bed cost limits for a relocation, renovation, upgrading, or conversion authorized by the Commissioner of Health after July 1, 2000, are the same as the per-bed limits for a total replacement.

A new paragraph (j) establishes criteria to govern the total replacement of an 80-bed nursing facility in Redwood County.

**19 Nursing facility rate increases beginning July 1, 1999, and July 1, 2000.** Amends § 256B.431, subd. 28. For the rate year beginning July 1, 2000, provides nursing facilities with a per diem rate increase of \$1.00 plus an amount up to \$3.13, based upon how each facility's mean operating rate compares to that for other facilities. Requires this increase to be used to increase by an equal dollar amount the per-hour pay rate of employees, except for management fees, the administrator, and central office staff, and to pay for associated costs. Requires this money to be used only for wage increases implemented on or after July 1, 2000. Specifies that this increase, and the compensation increase provided during by the 1999 Legislature, is to be applied to each facility's June 30, 2000 operating payment rate. Clarifies when a negotiated agreement constitutes a facility's compensation plan. Clarifies that the rate increases provided to specific facilities by the 1999 Legislature are to be counted when determining future payment rates.

**20 Facility rate increases effective July 1, 2000.** Amends § 256B.431, by adding subd. 29. Provides a rate increase ranging from \$1.97 per day for case mix class A residents to \$3.36 per day for case mix class K residents at a 49-bed facility in Roseau County.

**21 Bed layaway and delicensure.** Amends § 256B.431, by adding subd. 30. (a) For rate years beginning on or after July 1, 2000, excludes layaway beds from being counted when determining capacity days for facilities reimbursed under the cost-based system and adjusts the rental per diem to reflect the reduced number of beds.

(b) For facilities reimbursed under the alternative payment system that have placed beds on layaway status, adjusts the payment rate to reflect the reduced number of beds.

(c) If a facility removes a bed from layaway status, requires the commissioner to establish capacity days based on the number of beds not on layaway status and to reduce the facility's property payment rate.

(d) Allows facilities reimbursed under the alternative payment system to have their property payment rate adjusted when beds are delicensed.

(e) Requires beds in layaway status to be excluded when determining whether a facility qualifies for payment for leave days. (Under current rule, a facility must maintain an average occupancy rate greater than 93 percent, in order to qualify for payment for leave days.)

(f) Specifies that the rental rate calculated after placing beds on layaway status cannot be less than the rental rate prior to placing beds on layaway status.

(g) Requires a nursing facility receiving a rate adjustment to provide residents with 30 day written

notice of rate increases.

(h) Reduces the property rate increase for facilities that do not use the space made available from bed layaways or delicensure to reduce the number of beds per room, provide common space, or perform other activities related to operation of the facility.

- 22 **Facility rate increases effective July 1, 2000.** Amends § 256B.434, by adding subd. 4b. Provides rate increases for six specific facilities as follows: (1) a 5.9 percent rate increase for a 290-bed facility in Hennepin County, provided that it closes 70 beds; (2) a rate increase of \$1.54 per day for an 84-bed facility in Goodhue County; (3) a rate increase of \$3.78 for case mix class A and a weighted increase for the other case mix classes for a Rochester nursing facility licensed for 103 beds on January 1, 2000; (4) a rate increase of \$2.03 for a 154-bed facility in Wright County to be used for employee wage and benefit enhancements; (5) a rate increase ranging from \$1.16 for case mix level A to \$4.76 for case mix level K for a 78-bed facility in Todd County; and (6) a property payment rate increase of \$1.59, for a facility in Pine City that decertified 22 beds during 1999.
- 23 **ICF/MR rate increases beginning October 1, 1999, and October 1, 2000.** For the rate year beginning October 1, 2000, provides ICFs/MR with an additional rate increase of 3.0 percent for compensation related costs. (The percentage specified, 6.6 percent, also includes the increase of 3.6 percent approved by the 1999 Legislature. This ICF/MR compensation increase was approved by the legislature in 1999 but was left out of the conference committee report.) Requires this additional increase to be used to increase the per-hour pay rate of all employees, except administrative and central office employees, by an equal dollar amount and to pay associated costs. Also requires the increase to be used only for wage increases implemented on or after October 1, 2000.
- 24 **Prospective reimbursement rates.** Amends § 256B.69, subd. 5b. States that the subdivision setting capitation rates for different geographic groups of counties shall not affect nongeographically based risk adjusted rates.
- 25 **Medical education and research fund.** Amends § 256B.69, subd.5c. Excludes the Minnesota Senior Health Options demonstration projects from the required reduction in the PMAP payments for medical education and research. Modifies the MERC reduction in the PMAP rates, to provide no reduction for nonmetropolitan counties until January 1, 2002.
- 26 **Modification of payment dates effective January 1, 2001.** Amends § 256B.69, subdivision 5d. Effective for services provided on or after January 1, 2001, requires capitation payments for the month of June under prepaid medical assistance, prepaid general assistance medical care, and county-based purchasing to be made no earlier than the first day after the month of service.
- 27 **Availability of private insurance.** Amends § 256L.05, subd. 5. Requires information on the availability of private health insurance coverage and the possibility of disenrollment (due to income exceeding the program income limit) to be provided to all families with incomes equal to or greater than 225 percent of the federal poverty guidelines, and all single adults and households without children with incomes equal to or greater than 165 percent of poverty. (Under current law, information on private coverage must be provided to all enrollees with incomes over 200 percent of poverty.) Also requires the commissioner to provide information on the availability of private health insurance coverage in the notice of ineligibility provided to persons whose income exceeds the program income limit.
- 28 **Prescription drug program.** Amends Laws 1997, chapter 225, article 4, section 4. Removes an obsolete reference to funding caps and makes conforming changes.
- 29 **Amends Laws 1999, chapter 245, article 1, section 2.** Provides an additional compensation-related increase of 3.0 percent for direct care providers, for the second year of the biennium. Requires this additional increase to be used to increase the per-hour pay rate of all employees other than the administrator and central office staff by an equal dollar amount, and to pay for associated costs. Makes the grant to DeafBlind Services Minnesota part of base funding for the 2002-2003 biennium

only, clarifies language, and provides a June 30, 2003 expiration date.

- 30 **Repealer.** Amends Laws 1999, chapter 245, article 10, section 10. Extends the repealer for the home-sharing grant program by one year, until June 30, 2002.
- 31 **Employer-based health insurance.** Requires the commissioner of human services to determine requirements necessary to obtain federal matching funds for payments to subsidize the employee share of employer-based health care coverage for dependent children with household incomes that do not exceed 200 percent of the federal poverty guidelines, and to report to the legislature by January 15, 2001.
- 32 **Information on prescription drug patient assistance and cost savings programs.** Requires the commissioner of human services to work with the board of medical practice, organizations representing pharmaceutical manufacturers, and organizations representing pharmacies, to develop a strategy to provide information to physicians and pharmacists on prescription drug patient assistance programs and cost savings opportunities offered by pharmaceutical manufacturers.
- 33 **Task force extended; report.** Extends the day training and habilitation task force to June 15, 2001, and requires the task force to present to the legislature, by January 15, 2001, a report recommending a new payment rate schedule for day training and habilitation services. (Under current law, the task force expires March 15, 2000.)
- 34 **Respite care for family adult foster care providers.** Requires the commissioner of human services, in consultation with affected groups, to develop legislative proposals, including cost projections, to provide 30 days of respite care per year for family adult foster care providers. Requires the commissioner to provide the proposals and cost projections to relevant committee chairs by December 1, 2000.
- 35 **Medical education distribution formula study.** Requires the commissioner of health to convene a group of stakeholders to evaluate the appropriateness of the current distribution formula for money from the medical education and research trust fund, and to consider alternatives for allocating the amount transferred through reducing PMAP and prepaid
- GAMC payments. Requires the group to report to the legislature by January 15, 2001.
- 36 **Instruction to revisor.** Directs the revisor to change references to the "senior citizen drug program" to "prescription drug program." Also directs the revisor to recodify the congregate housing services statute.
- 37 **Inconsistent amendments.** Provides that the section providing compensation-related increases for ICFs/MR prevails in the event that similar but not identical language in H.F. No. 3557 is enacted.

## **Article 10: Human Services Assistance Program Modifications**

### **Overview**

Article 10 contains provisions related to non-health care assistance programs supervised by the commissioner of human services. Provisions in this article:

- Distribute, or pass-through, all current child support and maintenance collections to MFIP participants. The child support payments are not disregarded by MFIP, but instead are treated as unearned income in calculating MFIP eligibility and benefit amounts. (Sections 1, 4, 7 and 10 to 12)
- Establish a Local Interventions for Self Sufficiency grant program to provide additional funding to counties for hard-to-employ MFIP recipients. (Sections 18 and 22)
- Exempt an MFIP caregiver with a disabled child or adult in the household from the MFIP

- employment and training requirement, and give a good cause exception if the caregiver misses the MFIP orientation because of a disruption in the health care services provided to the disabled household member. (Sections 14 and 21)
- Make other modifications to the employment and training services component of MFIP. (Sections 16, 17, 19, 20 and 25 to 28)
  - Permit a family to receive Diversionary Assistance once every 12 months, and to be eligible for this program when the household income is below 200 percent of poverty. (Section 15)
  - Create a child-only TANF program for MFIP cases that do not include a caregiver. (Section 24)
  - Create several targeted and pilot programs to serve TANF-eligible populations. (Sections 23, 25, 26, 27 and 29)
  - Require the commissioner of human services to use the INS' automated SAVE system to conduct immigration status verifications of public assistance applicants. Also require the commissioner to report undocumented noncitizens identified through the application process or by self-admission (Sections 2, 9 and 30)
  - Delay the implementation date of when the Minnesota Food Assistance Program will be limited to noncitizens who are 50 or older by one year, until July 1, 2002. (Section 5)
  - Delay for six more months, until July 1, 2001, the date after which the first \$100 of an MFIP recipient's federal housing subsidy will be counted against the recipient's MFIP grant. (Section 13)
  - Delay for two years, until July 1, 2002, the date after which certain specified groups of persons will be ineligible for the state GA, GAMC and GRH programs. Also delay for one year, until July 1, 2001, the date after which noncitizens for whom federal TANF (Temporary Assistance for Needy Families) funds may not be used will be ineligible for state-funded MFIP assistance. (Section 28)
- 1 **Income.** Amends § 119B.011, subd. 15. Provides that, for purposes of determining eligibility for most child care assistance programs, "income" includes child support and
  - 2 **Immigration status verifications.** Adds new subd. 18 to § 256.01. Regardless of the waiver from the federal requirement to use the INS' SAVE program which the state holds, effective July 1, 2001, requires the commissioner of human services to use the SAVE program to verify the immigration status of all applicants in the following situations:
    - (1) when the person is applying for an assistance program that has been defined under federal law as a "federal public benefit" (this includes, for example, both MFIP and medical assistance (MA));
    - (2) when the person is applying for food stamps, the food portion of MFIP or Work First benefits, or the Minnesota Food Assistance Program;
    - (3) when the person is applying for General Assistance Medical Care (GAMC), except if the assistance is for an emergency medical condition, for immunization, or for testing and treatment of symptoms of a communicable disease; and
    - (4) when the person is applying for assistance through the state programs of GA, MSA, MinnesotaCare or GRH, when these programs' benefits would fall under the definition of "federal public benefit" if federal funds were used to pay for these benefits.

Also requires the commissioner to report to the INS all undocumented persons who have been identified either through the application process or by an applicant's self-admission. Specifies that any reports of undocumented persons under this provision must comply with the requirements in the federal welfare reform law for reporting to the INS.
  - 3 **Recovery of money; apportionment.** Amends § 256.019. Effective January 1, 2001, adjusts the proportion of the recovery which counties may keep when there is a recovery of monies paid for the

AFDC or MFIP welfare programs. For these programs, which are funded in whole or in part with federal dollars, the county keeps half of the nonfederal share, or one-quarter of the amount recovered. Also specifies that for recoveries of the solely state-funded food portion of MFIP, the county keeps one-quarter of the amount recovered.

- 4 **Child support distribution.** Adds subd. 15 to § 256.741. Requires the state to distribute, or pass-through, to MFIP participants all current child support and maintenance assigned to the state. (This section is effective January 1, 2001.)
- 5 **Program established.** Amends § 256D.053, subd. 1. Delays the implementation date of when the Minnesota food assistance program will be limited to noncitizens who are 50 years old or older, from July 1 of this year to July 1, 2002.
- 6 **Use of money.** Amends § 256J.02, subd. 2. Adds six permitted uses of federal TANF (Temporary Assistance for Needy Families) and state appropriations: welfare-to-work transportation; payment to the federal government for child support passed-through to a custodial parent (this clause is effective January 1, 2001.); reimbursements for the working family credit program; intensive ESL grants; transitional housing; and programs and pilot projects in chapter 256K.
- 7 **Unearned income.** (Amends § 256J.08, subd. 86) Provides that for purposes of MFIP, "unearned income" includes child support and maintenance payments. (This section is effective January 1, 2001.)
- 8 **Income exclusions.** Amends § 256J.21, subd. 2. Adds two specific types of resources to the provision that excludes resources for disabled household members from being counted as income for the purpose of determining MFIP eligibility: consumer support grant funds; and resources and services under any of the MA home and community-based waiver services programs.
- 9 **Requirement to report to immigration and naturalization services.** Adds new subd. 7a to § 256J.32. Notwithstanding the procedures in the protocols for reporting undocumented MFIP applicants to the INS that are in current law, effective July 1, 2001, requires the commissioner to report to the INS all undocumented persons who have been identified either through MFIP application process or by an applicant's self-admission. Specifies that any reports of undocumented persons under this provision must comply with the requirements in the federal welfare reform law for reporting to the INS.
- 10 **Monthly income test.** Amends § 256J.33, subd. 4. For purposes of determining monthly income under MFIP, deletes requirement that child support and maintenance "anticipated to be received" by a family be considered. (This section is effective January 1, 2001.)
- 11 **Prospective budgeting.** Amends § 256J.34, subd. 1. Deletes references to how child support is treated for the first two months an individual receives MFIP. Treatment of child support would instead be regulated by other sections of this article. (This section is effective January 1, 2001.)
- 12 **Significant change in gross income.** Amends § 256J.34, subd. 4. Deletes reference to supplementary assistance payments and the forwarding of child support, because under the plan in this article child support would no longer be forwarded. (This section is effective January 1, 2001.)
- 13 **Unearned income.** Amends § 256J.37, subd. 9. Amends paragraph (b) to delay for six months, from January 1, 2001 to July 1, 2001, the effective date for when the first \$100 of a federal housing subsidy will be counted as unearned income for the purpose of determining an assistance unit's MFIP grant.
- 14 **Good cause exemption for not attending orientation.** Amends § 256J.45, subd. 3. Specifies that a caregiver with a child or adult in the household who meets one of the specified disability criteria, including disabilities from mental illness, has a good cause exemption for failing to attend the MFIP orientation if the caregiver is prevented from attending the orientation because the health care services for the disabled household member are not provided.

- 15 **Eligibility.** Amends § 256J.47, subd. 1. Loosens the eligibility standards for the diversionary assistance (DA) program, by permitting a family to receive DA once every 12 months, rather than once every 36 months as in current law. Also raises the income eligibility threshold for DA, from below 140 percent to below 200 percent of the federal poverty guidelines.
- 16 **Work activity.** Amends § 256J.49, subd. 13. Specifies that the inclusion of English as a second language (ESL) classes as an approved work activity is limited by other provisions in sections 19 and 20 of this article.
- 17 **Participation requirements for all cases.** Amends § 256J.50, subd. 5. Effective July 1, 2000, requires single-parent MFIP cases to participate in employment and training services within one month of receiving MFIP. (Under current law, each county can choose when in the first six months of MFIP eligibility it requires its single-parent cases to participate in employment services.) Makes an exception from this requirement for Blue Earth and Nicollet counties until January 1, 2001. (Note: This exception is to enable those counties to continue to provide a comparison group to the Work First pilot project that operates in Carver and Clay counties.)
- 18 **Local service unit plan.** Amends § 256J.50, subd. 7. In paragraph (b), requires counties to describe in their local service unit plan for providing employment and training services how projects funded under the local intervention grants for self-sufficiency (created in section 22) would operate within the local service unit. This description must include information on the target population of hard-to-employ recipients and working participants needing job retention and wage advancement services; which services will be provided; projected expenditures by activity; anticipated program outcomes; and a description of services for participants with chemical dependency, mental health, learning disabilities or family violence issues.
- Also requires the plan to demonstrate how the county or tribe is working within its organization or with other organizations to serve hard-to-employ populations, and how community organizations were involved in the planning, services other entities will provide under the plan, and whether multicounty or regional strategies are part of the plan.
- In paragraph (c), requires the activities and expenditures in the plan be in addition to, and not instead of, a county or tribe's existing activities and expenditures. Specifies three exceptions to this "no supplantation" requirement.
- In paragraph (d), requires the plan under paragraph (b) to be approved before the county or tribe is eligible for local interventions grant funds under section 22.
- 19 **Job search; job search support plan.** Amends § 256J.52, subd. 3. In paragraph (a), specifies that adult basic education activities or ESL classes must be included in a job search support plan for no more than half of the required 30 hours per week of job search, if the activities are approved by the job counselor.
- In paragraph (d), limits the approval of ESL activities in a job search support plan to participants who are at or below a spoken language proficiency level of SPL5 or its equivalent. Limits ESL activities to a total of 24 months. Requires the job counselor to give preference to an intensive ESL program if one is available. If an intensive ESL program is approved, specifies how that program hourly requirements are reconciled with the hourly limitations on job search in paragraph (a).
- 20 **Employment plan; contents.** Amends § 256J.52, subd. 5. In a new paragraph (c), places the same limitations on ESL activities in an employment plan as the previous section placed on the job search support plan.
- 21 **Employment and training services component; exemptions.** Amends § 256J.56. Adds an exemption category for caregivers with a child or adult in the household who meets one of the specified disability criteria, including disabilities from mental illness. Specifies that caregivers in this category are presumed to be prevented from obtaining or retaining employment.



**22 Local intervention grants for self-sufficiency.** Creates new § 256J.625.

**Subd. 1. Establishment; guaranteed minimum allocation.** In paragraph (a), requires the commissioner to make grants to county and tribal TANF programs to more effectively serve hard-to-employ MFIP participants. Requires grant funds to be allocated as specified this subdivision, and in subdivisions 2 and 3. Requires a county or tribe to have an approved local service unit plan (see section 18) in order to receive and expend funds under subdivisions 2 and 3.

In paragraph (b), specifies that each county or tribal program must first receive a guaranteed minimum annual allocation of \$25,000.

**Subd. 2. Set-aside funds.** In paragraph (a), specifies that after the guaranteed minimum allocation is made, 20% of the remaining funds appropriated for these grants are held by the commissioner, and awarded to counties or tribes whose plans demonstrate additional need, strong anticipated outcomes and effective performance monitoring, or use of a multicounty or regional approach to serve the target populations identified in the approved plan. Requires the commissioner to achieve geographic balance in distributing the set-aside funds. Permits the commissioner to award set-aside funds to other public, private or nonprofit entities in a county or region, if specified requirements are met.

In paragraph (b), for fiscal year 2001 only, earmarks \$500,000 of the set-aside funds for an intensive intervention transitional employment training project (as specified in a rider in article 1, section 2, subdivision 7), and \$500,000 for nontraditional career assistance and training programs under section 26 of this article.

**Subd. 2a. Alternative distribution formula.** In paragraph (a), requires the commissioner to develop an alternative distribution formula to the formula allocation specified in subdivision 3. This alternative formula must be developed and presented to the appropriate legislative committees by January 31, 2001. The proposed alternative formula must be for FY 2002 and FY 2003, and must target hard-to-employ MFIP participants, and must include an incentive-based component to encourage counties and tribes to effectively serve hard-to-employ participants.

In paragraph (b), provides that if the commissioner does not have an alternative distribution formula as required in paragraph (a), the set-aside funds for FY 2002 and FY 2003 that would otherwise be distributed according to subdivision 2 must instead be allocated in equal amounts to each county and tribal program.

**Subd. 3. Formula allocation.** Specifies that of the remaining grant funds after the guaranteed minimum allocation and set-aside requirements are met, 85 percent be allocated based on the proportion of single-parent MFIP cases who have received MFIP for at least 25 months, and that 15 percent be allocated based on the proportion of two-parent MFIP cases who have received MFIP for at least 25 months. Cases with caregivers who are over age 60 are excluded from the caseload for purposes of these allocations.

**Subd. 4. Use of funds.** In paragraph (a), permits grant funds to be used to provide services to hard-to-employ participants and their families. Requires that services provided be intended to reduce the number of MFIP participants who are expected to reach their 60-month time limit. Requires counties, tribes and other entities receiving set-aside or formula allocation funds to submit semiannual progress reports detailing program outcomes.

In paragraph (b), prohibits grant funds from being used to provide benefits that meet the federal definition of "assistance," and which therefore count towards a recipient's 60-month limit on assistance, to an assistance unit that is only receiving the food portion of MFIP. (Note: Receiving only the food portion of MFIP benefits does not count towards a recipient's 60-month limit on assistance.)

In paragraph (c), permits a county to use grant funds as matching funds for federal access to jobs transportation funds. Also permits a county to use grant funds to enhance transportation

choices for eligible recipients with household income that is up to 150% of the federal poverty guidelines.

**Subd. 5. Sunset.** Sunsets the local intervention grants program on June 30, 2003.

- 23 **Nontraditional career assistance and training.** Adds new § 256J.655. With the job counselor's approval, permits a female MFIP participant to enroll and participate in a nontraditional career assistance and training program (authorized in section 26) as an approved work activity. Specifies that an MFIP recipient who is participating in one of these programs is also eligible for MFIP employment and training services, including child care and transportation.
- 24 **Child only TANF program.** Adds new § 256J.88. Creates a child-only TANF program for MFIP cases that do not include a caregiver. By doing so, child-only cases will not be counted in the overall MFIP caseload. (This change will have the effect of reducing the size of the state's reported MFIP caseload.)
- 25 **Supportive housing and managed care pilot project.** (Adds new § 256K.25) This section codifies the original 1999 session law that authorized, but did not provide funding for, a supportive housing and managed care pilot project for homeless individuals. This section requires the commissioner of human services to establish the pilot project in two counties.

**Subd. 1. Establishment and purpose.** In paragraph (a), requires the commissioner to establish a supportive housing and managed care pilot project in one county in the Twin Cities metropolitan area and in one county outside of that metropolitan area. The purpose of the pilot project is to determine whether the integrated delivery of employment services, supportive services, housing and health care will be an effective way to provide services to and increase the employment rates of homeless families and individuals.

In paragraph (b), requires the commissioner to create a program for this pilot project. Also requires the commissioner, in cooperation with counties and their nonprofit partners to develop minimum project and application requirements.

In paragraph (c), requires services provided under the project to be coordinated with each eligible participant's available health care services.

**Subd. 2. Definition.** Defines the term "homeless" for purposes of this pilot project.

**Subd. 3. County eligibility.** Specifies that in order to request funding under this project, a county must agree to develop or contract with a pilot project that integrates the delivery of employment services, supportive services, housing and health care. Also specifies that for project participants who are also MFIP recipients, the county must ensure that services provided under this project are closely coordinated with the services provided under MFIP. Also requires the county to develop a method to evaluate the quality of integrated services provided, and to evaluate the amount of any resulting cost savings.

**Subd. 4. Participant eligibility.** In paragraph (a), specifies that an eligible participant must: be homeless or at risk of homelessness; have a mental illness, a history of substance abuse, or HIV; and, if a family, meet the criteria in paragraph (b), or if an individual, meet the criteria in paragraph (c).

In paragraph (b), requires an eligible family to include a minor child or pregnant woman and: be receiving or be eligible for MFIP; or include an adult caregiver who is employed or is receiving employment services and whose household income is below the MFIP exit level.

In paragraph (c), requires an eligible individual to: be eligible for the group residential housing (GRH) program; or be a noncustodial parent who is employed or is receiving employment services and whose household income is below the MFIP exit level.

**Subd. 5. Funding.** Authorizes a county to request funding for a specified number of TANF-eligible project participants. Requires the commissioner to review the funding request, and authorizes the commissioner to approve or disapprove the request. If other funds are available, authorizes the

commissioner to allocate funding to serve individuals who are not otherwise TANF-eligible.

**Subd. 6. Report.** Beginning December 1, 2001, requires the participating counties and the commissioner to issue an annual report on the pilot project to the chairs of the appropriate legislative committees. The report must cover the pilot project's use of public resources, the employment and housing status of the project's participants, and the cost-effectiveness of the project. The report must also evaluate the pilot project with respect to the specified project goals. Requires the commissioner to provide data needed to evaluate the project to a participating county that requests the data.

**Subd. 7. Sunset.** Specifies that the pilot project sunsets on June 30, 2006.

- 26 **Grants for nontraditional career assistance and training programs.** Adds new § 256K.30. Requires the commissioner to establish a program of reimbursement-based grants to nonprofit organizations to provide nontraditional career assistance and training programs, which encourage and assist low-income women with minor children to enter nontraditional careers in the trades, and in manual and technical operations.

Specifies the requirements that must be met in order to receive funding under this program. Permits an NCAT program to include an outreach component, and requires it to include a career assistance component. Requires approved NCAT programs to be accessible to women who are MFIP participants.

- 27 **At-risk youth out of wedlock pregnancy prevention program.** Adds new § 256K.35.

**Subd. 1. Establishment and purpose.** Establishes a statewide grant program to reduce the incidence of out of wedlock pregnancies among youth who are at risk of being prostituted or currently being used in prostitution. The program's goal is to increase the number of short-term shelter beds for these youth in the state, so that the number of youth at risk of being sexually exploited or being sexually exploited and thus at risk of an out of wedlock pregnancy is reduced.

**Subd. 2. Funds available.** Requires the commissioner to make funds available to nonprofit corporations or government agencies to provide supportive services for emergency shelter and transitional housing for youth. Requires the commissioner to give priority to applicants who offer 24-hour emergency facilities.

**Subd. 3. Application; eligibility.** Specifies criteria that an applicant for funding must meet.

**Subd. 4. Uses of funds.** Requires funds to be used for street outreach and supportive services for emergency shelter and transitional housing for homeless, runaway and thrown-away youth. Permits grant funds to be used for supportive services to reduce the risk of out of wedlock pregnancy among the youth served. Requires federal TANF funds to be used to serve youth and their families with household income below 200% of the poverty level. Permits other funds to be used to serve youth outside of their family context. Prohibits grant funds from being used to conduct general education or awareness programs that are unrelated to the operation of an emergency shelter or transitional housing.

- 28 Amends Laws 1997, ch. 203, art. 9, sec. 21, as amended by Laws 1998, ch. 407, art. 6, sec. 111. Delays the effective dates for when certain specified groups of persons are ineligible for various public assistance programs:

- Delays for two years, until July 1, 2002, a provision that makes persons ineligible for the GA, GAMC or GRH programs who are terminated or denied from the federal Supplemental Security Income (SSI) program because their alcohol or drug addiction is a material factor contributing to their disability.
- Delays for two years, until July 1, 2002, a provision that makes legal noncitizens ineligible for the GA, GAMC or GRH programs who are ineligible for the federal Supplemental Security Income (SSI) program because of their noncitizen status.
- Delays for one year, until July 1, 2001, a provision that makes legal noncitizens ineligible

for state-funded MFIP benefits.

- 29 **Pilot projects for MFIP eligible families.** Requires the commissioner to authorize Dakota county and four other counties to test alternative approaches to improve the employability and self-sufficiency outcomes for MFIP-eligible families. The approaches tested by the pilot projects may include diversion, as well as case closure of noncompliant participants. The pilot projects' effectiveness will be evaluated, and the commissioner and the county agencies will report the evaluation findings to the legislative health and human services committees by February 1, 2002.
- 30 **Reports on SAVE implementation.** Requires the commissioner to report to the chairs of the legislative committees that deal with human services policy issues about the usage and costs of the SAVE program during its first two years of implementation.
- 31 **Report on effect of eligibility sunset delay.** Requires staff of the DHS health care division to conduct a study to identify the characteristics of the GA, GAMC and GRH recipients for whom program eligibility has been extended for two years by the provision in section 28. Specifies the information that must be collected and reported, and prohibits the report from containing any uniquely identifying information about recipients. Also requires the report to contain information about the cost of the eligibility extension. Requires that the report be submitted to the chairs of the legislative committees with jurisdiction over these programs by January 15, 2001.
- 32 **Repealer.** Repeals Laws 1999, chapter 245, article 5, section 24, which was the original session law authorizing the supportive housing and managed care pilot project in section 25.

## **Article 11: Technical Corrections**

### **Overview**

This article corrects technical errors and omissions in the 1999 Health and Human Services Omnibus Appropriations bill.

- 1 **Compliance.** Amends § 62J.535, subd. 2. Clarifies the date by which health care providers must comply with uniform billing requirements.
- 2 **Eligibility.** Amends § 125A.74, subd. 1. Requires school districts that are providers to pay the nonfederal share of MA services in order to receive MA payments.
- 3 **Funding.** Amends § 125A.74, subd. 2. Strikes language stating that school districts are not required to provide matching funds or pay part of the cost of services, when a school district provides a covered service.
- 4 **Sunset.** Amends § 144.395, by adding subd. 3. Moves existing language that sunsets the tobacco use prevention and local public health endowment fund to the correct place in statute.
- 5 **Audits required.** Amends § 144.396, subd. 11. Clarifies existing language that requires the legislative auditor to audit endowment fund expenditures, by specifying that it is the tobacco use prevention and local public health endowment fund that must be audited.
- 6 **Endowment fund not to supplant existing funding.** Amends § 144.396, subd. 12. Corrects a reference to the tobacco use prevention and local public health endowment fund.
- 7 **Reduction of waiting list.** Amends § 256B.0916, subd. 1. Specifies that the requirement that MR/RC waiver funding be increased to add 100 additional eligible persons each year applies to the period July 1, 1999 to June 30, 2003 (this conforms the law to the level of funding adopted).
- 8 **General assistance medical care; services.** Amends § 256D.03, subd. 4. Strikes outdated language on GAMC rateable reductions and makes a technical change.
- 9 **Community dental clinics.** Amends Laws 1999, chapter 245, article 1, section 2, subd. 5, paragraph (b). Corrects a cross-reference.

- 10 **Costs related to facility certification.** Amends Laws 1999, chapter 245, article 1, section 2, subd. 8, paragraphs (h) and (j). The amendment to paragraph (h) corrects an internal reference. The amendment to paragraph (j) corrects a statutory reference.
- 11 **Effective date.** Amends Laws 1999, chapter 245, article 4, section 121. Corrects effective dates.
- 12 **Repealer.** Repeals the existing sunset provision for the tobacco use prevention and local public health endowment fund (this provision is reinstated in statute in another location). Also repeals obsolete language related to the expansion of the MR/RC waiver.

### **Article 12: State Government Finance**

- 1 **Appropriation totals.** Summarizes changes made to appropriations by this bill.
- 2 **Secretary of state.** Appropriates \$4 million to construct and maintain the UCC central filing system required by Laws 2000, chapter 399.
- 3 **Strategic and long-range planning.** Appropriates \$200,000 for grants to regional development commissions or other regional organizations. Regions that received grants in 1999 are not eligible for grants under this bill.
- 4 **Administration.** Provides that the fiscal year 2001 appropriation for the office of technology (enacted in 1999) is available for expenditure. Appropriates money from the special revenue fund to the Metropolitan Radio Board. Provides that this appropriation is canceled if a law is enacted authorizing a statewide 800 megahertz radio system. Provides that prior appropriations for Year 2000 contingencies must be used for electronic government services and for income tax reengineering. Provides that the base budget of the department may not be adjusted due to costs imposed by H.F. 3501 (data practices). Appropriates money for office space costs of the legislature and veterans organizations and for ceremonial space.
- 5 **Campaign Finance and Public Disclosure Board.** Appropriates \$38,000 for legal fees associated with the board's defense of a constitutional challenge to a state law
- 6 **Employee Relations.** Appropriates \$100,000 for a health insurance study required in the pension bill. Allows pension funds to contribute another \$100,000 to this study.
- 7 **Gambling Control Board.** Appropriates \$90,000 for workers' compensation claims.
- 8 **Minneapolis Employees Retirement Fund.** Reduces appropriations for fiscal year 2000 and 2001 by \$1.3 million and \$1.9 million.
- 9 **Forecast.** Requires that consultation with specified legislators and staff concerning certain revenue and expenditure forecast variables must occur at least three weeks before the forecast is released. Requires the commissioner to inform specified legislators and staff at least two weeks before release of the forecast of any changes in certain variables from previous forecast.  
Specifies timing for agencies to provide expenditure data to the commissioner of finance and for this data to be available to legislative fiscal staff at least three weeks before release of the forecast. Requires the commissioner to provide legislative fiscal staff with updated state revenue data within 12 days after the end of each month. Requires the commissioner to review economic data with legislative fiscal staff at least two weeks before release of a forecast, and requires invitation of specified legislators to meetings with outside economic advisors.
- 10 **Internal service funds.** Requires detailed budget estimates for state internal service funds to include: number of full-time equivalent employees, by program; detail on any loans from the general fund; proposed investments in technology or equipment of \$100,000 or more; explanation of operating losses or increases in retained earnings; history of rates, with explanation of changes.
- 11 **Transfers.** Requires the commissioner of finance to report to applicable committee chairs the amount and purpose of transfers from the general fund to a revolving fund.
- 12 **Cash advances.** Strikes language requiring that a fund to which general fund cash was advanced

must pay interest at the rate earned by the state on invested treasurer's cash.

- 13 **Capital funding contingent on data.** Requires state agencies and MnSCU (and requests University of Minnesota) to maintain specified data on location, description, and condition of facilities. Makes receipt of capital funding contingent on maintenance of this data. This section is effective June 30, 2001, with the first report due in September, 2001.
- 14 **Transfers.** Requires the commissioner of administration to report to applicable committee chairs the amount and purpose of transfers among internal service or enterprise funds in the department of administration.
- 15 **Rates.** Requires the commissioner of administration to report to applicable committee chairs by July 1 each year on rates to be charged for each revolving fund.
- 16 **Interfund loans.** Requires the commissioner of administration to report to applicable committee chairs the amount and purpose of loans among internal service or enterprise funds in the department of administration.
- 17 **Risk assessment and mitigation.** Provides that a risk assessment and mitigation plan are required for an information systems development project estimated to cost more than \$1 million that is undertaken by an executive or judicial agency or a constitutional officer. Requires the commissioner of administration to contract with an entity outside of state government to conduct the assessment and prepare the mitigation plan for projects estimated to cost more than \$5 million. Provides that no more than ten percent of the amount anticipated to be spent on the project (other than money spent on risk assessment and risk mitigation) may be spent until the assessment and mitigation plan are reported the commissioner of administration and the commissioner has approved the risk mitigation plan.
- 18 **MERF payments.** Strikes requirement that state payments to MERF be made quarterly, and provides for an annual payment on September 15. Strikes outdated language relating to limits on state contributions.
- 19- **Clarifications and corrections.** Clarifies and corrects language from 1999 state government  
23 finance appropriation bill.
- 24 **Base adjustments prohibited.** Provides that if a capital project authorized in 2000 causes a change in state agency operating costs, the commissioner of finance shall not treat that change as a base adjustment for the next biennium.
- 25 **Repealer.** Laws 1999, chapter 250, article 1, section 15, subd. 4: technical repealer relating to misplaced language from the 1999 state government finance bill.
- 26 **Effective dates.**

### **Article 13: Minnesota Comprehensive Health Association**

- 1 **Transfer.** Provides that on January 15, 2001, the commissioner of finance shall transfer \$15 million in assets of the assigned risk plan to the general fund. Appropriates \$15 million from the general fund to the commissioner of finance, to be paid to the Minnesota Comprehensive Health Association for the purpose of reducing the association's operating deficit for calendar year 2001.