

## STATE OF MINNESOTA

## SEVENTY-THIRD SESSION - 1983

## FIFTY-FIRST DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, MAY 11, 1983

The House of Representatives convened at 1:00 p.m. and was called to order by Ann Wynia, Speaker Pro Tem.

Prayer was offered by Reverend Glen V. Wiberg, Salem Covenant Church, New Brighton, Minnesota.

The roll was called and the following members were present:

Anderson, B.	Evans	Krueger	Peterson	Solberg
Anderson, G.	Findlay	Kvam	Piepho	Sparby
Anderson, R.	Fjoslien	Larsen	Piper	Stadum
Battaglia	Forsythe	Levi	Price	Staten
Beard	Frerichs	Long	Quian	Sviggum
Begich	Graba	Ludeman	Quist	Swanson
Bennett	Greenfield	Mann	Redalen	Thiede
Bergstrom	Gruenes	Marsh	Reif	Tomlinson
Berkelman	Gustafson	McDonald	Rice	Tunheim
Bishop	Gutknecht	McEachern	Riveness	Uphus
Brandl	Halberg	McKasy	Rodosovich	Valan
Brinkman	Haukoos	Metzen	Rodriguez, C.	Valento
Burger	Heap	Minne	Rodriguez, F.	Vanasek
Carlson, D.	Heinitz	Munger	Rose	Vellenga
Carlson, L.	Himle	Murphy	St. Onge	Voss
Clark, J.	Hoberg	Nelson, D.	Sarna	Waltman
Clark, K.	Hoffman	Nelson, K.	Schafer	Welch
Clawson	Hokr	Neuenschwander	Scheid	Welker
Cohen	Jacobs	Norton	Schoenfeld	Welle
Coleman	Jennings	O'Connor	Schreiber	Wenzel
Dempsey	Johnson	Ogren	Seaberg	Wigley
DenOuden	Kahn	Olsen	Segal	Wynia
Dimler	Kalis	Omann	Shaver	Zaffke
Eken	Kelly	Onnen	Shea	
Elioff	Knickerbocker	Osthoff	Sherman	
Ellingson	Knuth	Otis	Simoneau	
Erickson	Kostohryz	Pauly	Skoglund	

A quorum was present.

Sieben was excused until 2:15 p.m. Jensen was excused until 5:30 p.m. Blatz was excused until 5:50 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Kelly moved that further reading of the Journal be dis-

pensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

#### REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 1290, 1298, 652, 782, 1224, 1029, 77 and 233 and S. F. Nos. 1194, 1146, 1189, 634, 297 and 883 have been placed in the members' files.

S. F. No. 1146 and H. F. No. 1172, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

#### SUSPENSION OF RULES

Bishop moved that the rules be so far suspended that S. F. No. 1189 be substituted for H. F. No. 1172 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1189 and H. F. No. 1090, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

#### SUSPENSION OF RULES

Ogren moved that the rules be so far suspended that S. F. No. 1189 be substituted for H. F. No. 1090 and that the House File be indefinitely postponed. The motion prevailed.

#### PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA  
OFFICE OF THE GOVERNOR  
SAINT PAUL 55155

May 9, 1983

The Honorable Harry A. Sieben, Jr.  
Speaker of the House  
276 State Office Building  
St. Paul, Minnesota 55155

Dear Speaker Sieben:

I have the honor to inform you that I received, approved, signed and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 132, relating to state lands; authorizing the sale and conveyance of a certain tract of tax-forfeited land by Sherburne County.

H. F. No. 176, relating to financial institutions; providing that Small Business Administration guaranteed loans are collateral for public deposits.

H. F. No. 325, relating to real property; revising and clarifying certain provisions relating to the registration of real property.

H. F. No. 406, relating to civil actions; allowing prevailing parties to recover disbursements for process served by private process servers.

H. F. No. 508, relating to insurance; requiring all notices of cancellation of homeowner's policies to be written in language that is easy to read and understandable.

H. F. No. 511, relating to labor; creating an exemption to the minimum wage overtime provisions for silo builders.

H. F. No. 573, relating to retirement; Brooklyn Park volunteer firefighters relief association.

H. F. No. 631, relating to Hennepin County; authorizing employees to withdraw from participation in the Hennepin County supplemental retirement fund.

H. F. No. 656, relating to intoxicating liquor; allowing the city of Marble to permit on-sales of intoxicating liquor on a certain date.

H. F. No. 721, relating to the city of Babbitt; authorizing the establishment of detached banking facilities.

H. F. No. 741, relating to real estate; regulating the duties of a county recorder.

H. F. No. 764, relating to retirement; qualifying park district police for certain pension aids.

H. F. No. 801, relating to financial institutions; authorizing electronic financial terminals at locations other than retail locations established by persons other than retailers.

H. F. No. 804, relating to courts; providing for transcript fees.

H. F. No. 903, relating to insurance; removing obsolete statutory provisions regulating assessment benefit associations.

H. F. No. 953, relating to the city of Silver Bay; authorizing the establishment of detached banking facilities.

H. F. No. 959, relating to commerce; authorizing certain retailers of motor vehicle fuel to compute sales by the half-gallon; proposing new law coded in Minnesota Statutes 1982.

H. F. No. 1122, relating to the town of Flowing; permitting the town to conduct elections and town business in a nearby city.

Sincerely,

RUDY PERPICH  
Governor

STATE OF MINNESOTA  
OFFICE OF THE SECRETARY OF STATE  
ST. PAUL 55155

May 9, 1983

The Honorable Harry A. Sieben, Jr.  
Speaker of the House of Representatives

The Honorable Jerome M. Hughes  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1983 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Date Approved 1983</i>	<i>Date Filed 1983</i>
322		79	May 9	May 9
332		80	May 9	May 9
372		81	May 9	May 9
464		82	May 9	May 9
530		83	May 9	May 9
659		84	May 9	May 9
827		85	May 9	May 9

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Date Approved 1983</i>	<i>Date Filed 1983</i>
833		86	May 9	May 9
854		87	May 9	May 9
936		88	May 9	May 9
972		89	May 9	May 9
	132	90	May 9	May 9
	176	91	May 9	May 9
	325	92	May 9	May 9
	406	93	May 9	May 9
	508	94	May 9	May 9
	511	95	May 9	May 9
	573	96	May 9	May 9
	656	97	May 9	May 9
	721	98	May 9	May 9
	741	99	May 9	May 9
	631	100	May 9	May 9
	764	101	May 9	May 9
	801	102	May 9	May 9
	804	103	May 9	May 9
	903	104	May 9	May 9
	953	105	May 9	May 9
	959	106	May 9	May 9
	1122	107	May 9	May 9

Sincerely,

JOAN ANDERSON GROWE  
Secretary of State

STATE OF MINNESOTA  
OFFICE OF THE GOVERNOR  
SAINT PAUL 55155

May 10, 1983

The Honorable Harry A. Sieben, Jr.  
Speaker of the House  
276 State Office Building  
St. Paul, Minnesota 55155

Dear Speaker Sieben:

I have the honor to inform you that I received, approved, signed and deposited in the Office of the Secretary of State the following House File:

H. F. No. 26, relating to commerce; consumer protection; requiring the repair, refund, or replacement of new motor vehicles under certain circumstances; proposing new law coded in Minnesota Statutes, chapter 325F.

Sincerely,

RUDY PERPICH  
Governor

STATE OF MINNESOTA  
OFFICE OF THE GOVERNOR  
SAINT PAUL 55155

May 10, 1983

The Honorable Harry A. Sieben, Jr.  
Speaker of the House  
276 State Office Building  
St. Paul, Minnesota 55155

Dear Speaker Sieben:

I have the honor to inform you that I received, approved, signed and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 602, relating to commerce; providing for a non-possessory mechanics' lien under certain circumstances; proposing new law coded in Minnesota Statutes, chapter 514.

H. F. No. 697, relating to the city of St. Paul; providing for facilities, bonding, powers, and duties of the St. Paul port authority.

Sincerely,

RUDY PERPICH  
Governor

STATE OF MINNESOTA  
OFFICE OF THE SECRETARY OF STATE  
ST. PAUL 55155

May 10, 1983

The Honorable Harry A. Sieben, Jr.  
Speaker of the House of Representatives

The Honorable Jerome M. Hughes  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1983 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Date Approved 1983</i>	<i>Date Filed 1983</i>
	26	108	May 10	May 10
	602	109	May 10	May 10
	697	110	May 10	May 10
148		111	May 10	May 10
246		112	May 10	May 10
323		113	May 10	May 10
358		114	May 10	May 10
611		115	May 10	May 10
653		116	May 10	May 10
673		117	May 10	May 10
721		118	May 10	May 10

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1983	Date Filed 1983
808		119	May 10	May 10
1198		120	May 10	May 10

Sincerely,

JOAN ANDERSON GROWE  
Secretary of State

### REPORTS OF STANDING COMMITTEES

Rice from the Committee on Appropriations to which was referred:

H. F. No. 257, A bill for an act relating to motor vehicles; providing for special license plates for certain motor vehicles owned by certain members of the Minnesota national guard; imposing fees; appropriating money; amending Minnesota Statutes 1982, section 168.12, by adding a subdivision.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Rice from the Committee on Appropriations to which was referred:

H. F. No. 481, A bill for an act relating to agriculture; adopting recommended federal rules relating to milk quality for manufacturing purposes; providing for phase-in of inspections and compliance; establishing a loan guarantee program; appropriating money; proposing new law coded in Minnesota Statutes, chapter 32.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [32.415] [MILK FOR MANUFACTURING;  
QUALITY STANDARDS.]

*In order to provide uniform quality standards, producers of milk used for manufacturing purposes shall conform to the standards contained in Subparts D and F of the United States Department of Agriculture Consumer and Marketing Service Recommended Requirements for Milk for Manufacturing Pur-*



poses and its Production and Processing, Vol. 37 Federal Register, No. 68, Part II, April 7, 1972, with the following exceptions:

(a) Inspections of producers shall begin not later than January 1, 1985;

(b) Producers shall comply with the standards not later than July 1, 1986, except as otherwise allowed under the standards; and

(c) The commissioner shall develop methods by which producers can comply with the standards without violation of religious beliefs. The commissioner may adopt rules, including temporary rules, for the purpose of this clause.

The commissioner of agriculture shall perform or contract for the performance of the inspections necessary to implement this section or shall certify dairy industry personnel to perform the inspections.

The commissioner and other employees of the department shall make every reasonable effort to assist producers in achieving the milk quality standards at minimum cost and to use the experience and expertise of the University of Minnesota and the agricultural extension service to assist producers in achieving the milk quality standards in the most cost-effective manner.

The commissioner of agriculture shall consult with producers, processors, and others involved in the dairy industry in order to prepare for the implementation of this section including development of informational and educational materials, meetings, and other methods of informing producers about the implementation of standards under this section.

## Sec. 2. [32.416] [LOAN GUARANTEE PROGRAM.]

Subdivision 1. [PRODUCER ASSISTANCE.] The commissioner shall administer a loan guarantee and payment adjustment program for producers to assist in financing any real property improvements required by section 1.

Subd. 2 [DEFINITIONS.] For the purposes of sections 2 and 3, "lender" has the meaning given in section 41.52, subdivision 7, except that "lender" also includes creameries, dairy cooperatives, and other milk purchasing businesses which finance the improvements required by section 1, "commissioner" means the commissioner of agriculture, and "applicant" means a dairy farmer storing milk in cans who is required to make any real property improvements required by section 1. An applicant must have resided on a farm receiving homestead credit under section 273.13 prior to January 1, 1983. No applicant who purchases a

*farm after July 1, 1983, is eligible for the loan guarantee program.*

**Subd. 3. [LOANS.]** *The commissioner may guarantee loans not exceeding \$2,500 in principal amount for a term not to exceed five years, for the purpose of making any real property improvements required by section 1. The guarantee shall obligate the state of Minnesota to pay the lender 90 percent of the sums due and payable in the event of default.*

**Subd. 4. [ELIGIBILITY, LIMITATION.]** *No applicant who is otherwise eligible shall receive the benefit of the loan guarantee or payment adjustment provided in this section unless it is demonstrated that credit for the same purpose is unavailable at reasonable interest rates from a commercial lender. For purposes of this subdivision, written rejection of a loan application by two lenders, as defined in subdivision 2, or the availability of a loan only at interest rates determined by rule or temporary rule pursuant to subdivision 7 to be excessive, shall be sufficient to show that credit is unavailable from commercial lenders.*

**Subd. 5. [PAYMENT ADJUSTMENT.]** *At the time of the approval of the loan guarantee, the commissioner shall provide to the lender an amount equal to 12 percent of the guaranteed loan, and the lender shall use this payment to reduce the number or size of the payments otherwise required by the terms of the loan.*

**Subd. 6. [SALE OF PROPERTY.]** *Any applicant who sells or conveys any property securing a loan guaranteed by the commissioner shall immediately retire the balance owed the lender.*

**Subd. 7. [RULES; ELIGIBILITY.]** *The commissioner shall adopt rules to implement the loan guarantee and payment adjustment program. The rules shall include:*

(a) *Procedures for approving loan guarantees;*

(b) *Eligibility requirements for applicants which assure that approval of a loan guarantee is based on financial need and credit worthiness of the applicant; and*

(c) *Required loan guarantee terms which provide adequate security for recovery by the state of amounts paid to lenders on default of any guaranteed loan, and repayment of a guaranteed loan by the applicant through assignment of a portion of any payment received for milk produced by the applicant.*

*The rules may be adopted as temporary rules as provided in chapter 14. The rules shall be effective July 1, 1984, and shall expire on July 1, 1985. Loan guarantees and payment adjustments may be granted only from July 1, 1984, to July 1, 1985.*

## Sec. 3. [32.417] [APPROPRIATIONS.]

*Subdivision 1. [DEFAULTS.] The sum of all outstanding loans guaranteed by the commissioner at any time shall not exceed \$2,500,000. In the event of a default on a guaranteed loan, the commissioner may submit a request to the legislative advisory commission for sufficient funds to pay the lender the amount required for the guaranteed loan.*

*Subd. 2. [PAYMENT ADJUSTMENTS.] There is appropriated from the general fund to the commissioner the sum of \$300,000 for fiscal year 1985, to pay the payment adjustment under section 2, subdivision 4.*

## Sec. 4. [APPROPRIATION.]

*There is appropriated from the general fund to the commissioner of agriculture the sum of \$30,800 for the year ending June 30, 1984, for administrative expenses incurred to implement the provisions of sections 1 to 3. The approved complement of the department is increased by one full-time position."*

With the recommendation that when so amended the bill pass.

The report was adopted.

Tomlinson from the Committee on Taxes to which was referred:

H. F. No. 600, A bill for an act relating to state income tax refunds; requiring proper notice before the state can collect debts by taking tax refunds; amending Minnesota Statutes 1982, section 270A.08, subdivisions 1 and 2.

Reported the same back with the following amendments:

Page 1, line 25, after the period insert "*The notice shall clearly state whether or not the debt is based on a court order or judgment.*"

Page 2, line 8, delete "*The debtor shall have the burden of*"

Page 2, delete lines 9 and 10

With the recommendation that when so amended the bill pass.

The report was adopted.

Tomlinson from the Committee on Taxes to which was referred:

H. F. No. 751, A bill for an act relating to energy; simplifying hydropower lease procedures; amending Minnesota Statutes 1982, sections 105.482, subdivisions 8 and 9; 272.02, by adding a subdivision; 273.19, by adding a subdivision; and 295.44, subdivision 1; repealing Minnesota Statutes 1982, section 295.44, subdivisions 2, 3, and 4.

Reported the same back with the following amendments:

Page 2, line 6, delete "*shall*" and insert "*may*"

Page 2, line 34, delete "*shall*" and insert "*may*"

Page 3, line 6, delete "*shall*" and insert "*may*"

Page 3, line 16, strike "*shall*" and insert "*may*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Tomlinson from the Committee on Taxes to which was referred:

H. F. No. 921, A bill for an act relating to taxation; motor vehicle registration tax; motor vehicle excise tax; providing for refund of tax on certain vehicles that are replaced or the purchase price refunded; appropriating money; proposing new law coded in Minnesota Statutes, chapters 168 and 297B.

Reported the same back with the following amendments:

Page 1, line 12, delete "*new*"

Page 1, line 12, delete "*state law to refund the*" and insert "*1983 H.F. No. 26, section 1, subdivision 3,*"

Page 1, delete line 13

Page 1, line 14, delete "*requires the manufacturer*"

Page 2, line 6, delete "*new*"

Page 2, delete line 7

Page 2, line 8, delete "*purchaser and the law requires the manufacturer*" and insert "*1983 H. F. No. 26, section 1, subdivision 3,*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Rice from the Committee on Appropriations to which was referred:

S. F. No. 72, A bill for an act relating to occupations and professions; authorizing the commissioner of public safety to provide administrative support services to the board of peace officer standards and training; amending Minnesota Statutes 1982, sections 214.04, subdivision 1; 626.843, subdivision 1; 626.845, subdivision 1; and 626.849.

Reported the same back with the following amendments:

Page 6, line 17, delete "*July 1, 1983*" and insert "*the day following final enactment*"

With the recommendation that when so amended the bill pass.

The report was adopted.

Rice from the Committee on Appropriations to which was referred:

S. F. No. 601, A bill for an act relating to housing; modifying requirements that housing programs for urban Indians in the city of Duluth combine appropriated money with funds from other sources whenever possible; amending Minnesota Statutes 1982, section 462A.07, subdivision 15; and Laws 1978, chapter 670, section 3, subdivision 3.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Rice from the Committee on Appropriations to which was referred:

S. F. No. 606, A bill for an act relating to retirement; public employees funds generally; increasing interest rates paid on refunds and rates required for repayment of refunds and other payments to the funds; amending Minnesota Statutes 1982, sections 3A.03, subdivision 2; 352.029, subdivision 4; 352.04, subdivision 8; 352.12, subdivision 1; 352.22, subdivision 2; 352.23; 352.27; 352.271; 352B.11, subdivisions 1, 3, and 4; 352C.09, subdivision 2; 353.01, subdivision 16; 353.27, subdivision 12; 353.28, subdivision 5; 353.32, subdivision 1; 353.34, subdivision 2; 353.35; 353.36, subdivision 2; 354.47, subdivision 1; 354.49, subdivision 2; 354.50, subdivision 2; 354.51, subdivisions 4 and 5; 354.52, subdivision 4; 354.53, subdivision 1; 354.532, subdivision 3;

354A.093; 354A.32; 354A.35, subdivisions 1 and 2; 354A.37, subdivisions 3 and 4; 354A.38, subdivision 3; 422A.09, subdivision 3; 422A.11, subdivision 2; 422A.16, subdivision 5; 422A.22, subdivisions 1, 4 and 5; 422A.221, subdivision 2; and 490.124, subdivision 12; repealing Minnesota Statutes 1982, section 354.49, subdivision 3.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Tomlinson from the Committee on Taxes to which was referred:

S. F. No. 984, A bill for an act relating to taxation; authorizing cities to impose taxes on the gross receipts from the furnishing of certain lodging; requiring these funds to be dedicated to tourism marketing and promotion; proposing new law coded in Minnesota Statutes, chapter 477A.

Reported the same back with the following amendments:

Page 1, line 20, after the period insert "*None of the proceeds of this tax may be used for advertisements that do not promote the affected statutory or home-ruled city or its region.*"

Page 2, line 3, after the period insert "*None of the proceeds of this tax may be used for advertisements that do not promote the affected statutory or home-ruled city or its region.*"

With the recommendation that when so amended the bill pass.

The report was adopted.

## SECOND READING OF HOUSE BILLS

H. F. Nos. 1290, 1298, 257, 481, 600, 751 and 921 were read for the second time.

## SECOND READING OF SENATE BILLS

S. F. Nos. 1146, 1189, 72, 601, 606 and 984 were read for the second time.

## INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Dempsey and Blatz introduced:

H. F. No. 1299, A bill for an act relating to human rights; clarifying the meaning of a change in the time for filing suit in the district court.

The bill was read for the first time and referred to the Committee on Judiciary.

Anderson, B.; Erickson; Graba; Redalen and Neuenschwander introduced:

H. F. No. 1300, A bill for an act relating to state government; providing deadlines for job applications for state jobs; proposing new law coded in Minnesota Statutes, chapter 43A.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Simoneau introduced:

H. F. No. 1301, A bill for an act relating to taxation; establishing an income tax checkoff for the purpose of providing funds for organ transplants; proposing new law coded in Minnesota Statutes, chapter 290.

The bill was read for the first time and referred to the Committee on Taxes.

#### MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 482 and 532.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 883.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 1233.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 1011.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### FIRST READING OF SENATE BILLS

S. F. No. 482. A bill for an act relating to taxation; providing for changes in the laws relating to delinquent real estate taxes, real estate tax judgment sales and redemptions and tax forfeited land sales; amending Minnesota Statutes 1982, sections 276.04; 279.05; 279.06; 279.14; 279.15; 279.16; 279.20; 280.01; 280.07; 280.10; 280.38; 280.385, subdivision 1; 281.01; 281.02; 281.03; 281.05; 281.17; 281.18; 281.23; 281.25; 281.34; 281.39; 282.01, subdivision 5; 282.039; 282.17; 282.171; 282.222, subdivisions 4 and 5; 282.301; and 559.21, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapters 276; 279; 280; and 282; repealing Minnesota Statutes 1982, sections 279.24; and 281.36.

The bill was read for the first time and referred to the Committee on Taxes.

S. F. No. 532. A bill for an act relating to taxation; providing for the valuation of limited equity cooperative apartments; amending Minnesota Statutes 1982, section 273.11, subdivision 1, and by adding a subdivision.

The bill was read for the first time and referred to the Committee on Taxes.

S. F. No. 883. A bill for an act relating to transportation; modifying the definition of truck-tractor to include the power unit of automobile carriers; adjusting the motor vehicle registration tax on certain trailers; requiring proof of payment of the federal heavy use tax on heavy trucks; increasing the maximum allowable width on vehicles from 8 to 8-1/2 feet; allowing special permits for the transport of manufactured home frames; modify-



ing vehicle length requirements to allow longer semitrailers and vehicle combinations; modifying the gross weight seasonal increase to include all axle combinations; modifying the distance a peace officer may require a vehicle to travel to a scale and defining a suitable place for unloading an overweight vehicle; modifying the civil penalty for overweight vehicles; increasing width requirement on loads of baled hay before flashing amber lights are required; requiring the commissioner to comply with criteria for the addition of federal qualifying highways; amending Minnesota Statutes 1982, sections 168.011, subdivision 12; 168.013, subdivision 1d, and by adding a subdivision; 169.01, subdivision 7; 169.80, subdivision 2; 169.81, subdivisions 2 and 3; 169.825, subdivision 11; 169.85; 169.86, by adding a subdivision; 169.862; and 169.871, subdivision 1, and by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 169; repealing Minnesota Statutes 1982, sections 169.80, subdivision 2a; and 169.81, subdivisions 3a, 3b, and 7.

The bill was read for the first time.

#### SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Anderson, G., moved that the rule therein be suspended and an urgency be declared so that S. F. No. 883 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Anderson, G., moved that the rules of the House be so far suspended that S. F. No. 883 be given its second and third reading and be placed upon its final passage. The motion prevailed.

S. F. No. 883 was read for the second time.

S. F. No. 883, A bill for an act relating to transportation; modifying the definition of truck-tractor to include the power unit of automobile carriers; adjusting the motor vehicle registration tax on certain trailers; requiring proof of payment of the federal heavy use tax on heavy trucks; increasing the maximum allowable width on vehicles from 8 to 8-1/2 feet; allowing special permits for the transport of manufactured home frames; modifying vehicle length requirements to allow longer semitrailers and vehicle combinations; modifying the gross weight seasonal increase to include all axle combinations; modifying the distance a peace officer may require a vehicle to travel to a scale and defining a suitable place for unloading an overweight vehicle; modifying the civil penalty for overweight vehicles; increasing width requirement on loads of baled hay before flashing amber lights are required; requiring the commissioner to comply with criteria for the addition of federal qualifying highways; amending Minnesota Statutes 1982, sections 168.011, subdivision 12; 168.013, subdivision 1d, and by adding a subdivision; 169.01,

subdivision 7; 169.80, subdivision 2; 169.81, subdivisions 2 and 3; 169.825, subdivision 11; 169.85; 169.86, by adding a subdivision; 169.862; and 169.871, subdivision 1, and by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 169; repealing Minnesota Statutes 1982, sections 169.80, subdivision 2a; and 169.81, subdivisions 3a, 3b, and 7.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 116 yeas and 5 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Evans	Kvam	Pauly	Solberg
Anderson, G.	Findlay	Larsen	Peterson	Sparby
Battaglia	Forsythe	Levi	Piepho	Stadum
Beard	Frerichs	Long	Piper	Staten
Begich	Graba	Ludeman	Price	Sviggum
Berkelman	Greenfield	Mann	Quinn	Swanson
Bishop	Gruenes	Marsh	Quist	Thiede
Brandl	Gustafson	McDonald	Redalen	Tomlinson
Brinkman	Gutknecht	McEachern	Reif	Tunheim
Burger	Halberg	McKasy	Rice	Valan
Carlson, D.	Haukoos	Metzen	Riveness	Valento
Carlson, L.	Heap	Minue	Rodosovich	Vanasek
Clark, J.	Heinitz	Munger	Rose	Vellenga
Clark, K.	Himle	Murphy	St. Onge	Waltman
Clawson	Hoberg	Nelson, D.	Sarna	Welch
Cohen	Hoffman	Nelson, K.	Schafer	Welker
Coleman	Hokr	Neuenschwander	Schoenfeld	Welle
Dempsey	Jennings	Norton	Schreiber	Wenzel
DenOuden	Johnson	O'Connor	Segal	Wigley
Dimler	Kalis	Ogren	Shaver	Wynia
Eken	Kelly	Olson	Shea	
Elioff	Knickerbocker	Onnen	Sherman	
Ellingson	Knuth	Osthoff	Simoneau	
Erickson	Krueger	Otis	Skoglund	

Those who voted in the negative were:

Fjoslien	Kahn	Rodriguez, C.	Uphus	Voss
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The bill was passed and its title agreed to.

### FIRST READING OF SENATE BILLS, Continued

S. F. No. 1233, A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and for other agencies with certain conditions; fixing and limiting fees; providing for adjustments of responsibilities of the department of agriculture for soil and water conservation; allowing limited donation of accumulated vacation time by certain law enforcement employees to their union representative; providing for deposit of proceeds of assessment by the assigned risk review board; regulating financial assistance to public transit systems; limiting certain hearing functions of the transportation regulation board;

transferring certain rules authority to the transportation regulation board; reducing membership and establishing terms of members of the public utilities commission; defining enforcement powers of the hazardous material specialists and transportation representatives of the department of transportation; defining terms and requirements for building movers; crediting certain receipts of the commissioner of transportation to the trunk highway fund; providing for certain costs to be paid from the trunk highway fund; authorizing the commissioner of transportation to enforce certain carrier regulations; extending retirement coverage of certain employees of the department of transportation from age 60 to age 62 and providing for disability benefits; transferring and renaming the air transportation revolving account; instructing the commissioner of transportation to charge users of certain air transportation services for certain costs; limiting fare increases by the metropolitan transit commission; basing taxing for the metropolitan transit taxing district upon the level of transit service provided; providing for the disposition of proceeds of certain trunk highway bonds; reducing the amount appropriated from the bridge construction account in the trunk highway fund to the department of transportation; amending Minnesota Statutes 1982, sections 12.14; 17A.04, subdivision 5; 18.51, subdivision 2; 18.52, subdivision 5; 18.53; 18.54; 18A.22, subdivisions 5 and 7; 18A.26; 27.041, subdivision 2; 28A.08; 28A.09; 32.075; 32.59; 34.02; 34.05, subdivision 1; 40.03, subdivision 2, as amended; 43A.04, by adding a subdivision; 79.251, subdivision 1; 155A.07, subdivision 7; 155A.08, subdivision 5; 169.81, subdivision 3b; 169.86, subdivision 5; 169.862; 170.23; 171.26; 171.29, subdivision 2; 173.07, subdivision 2; 173.08, subdivision 1; 173.13, subdivision 4; 174.24, subdivision 3; 174A.02, subdivision 2; 174A.06; 216A.03, subdivision 1; 221.061; 221.071; 221.131; 221.221; 221.296, subdivision 5; 221.64; 221.81; 296.17, subdivisions 10, 17, and 20; 296.25, subdivision 1; 299C.46, subdivision 3; 352.86, subdivisions 1, 2, and by adding a subdivision; 360.018, subdivision 1; 360.63; 473.408, subdivision 3 and by adding a subdivision; 473.446, subdivision 1, as amended; 500.221, subdivision 4; 626.88, subdivision 2; Laws 1975, chapter 235, section 2; Laws 1977, chapter 277, sections 1 and 3, subdivision 1; and Laws 1983, chapter 17, section 12; proposing new law coded in Minnesota Statutes, chapters 10A; 221; 299C; and 360; repealing Minnesota Statutes 1982, sections 24.24; 24.25; 24.26; 24.27; 24.28; 24.29; 24.30; 24.31; 160.26, subdivision 3; 174.265; and 174A.07.

The bill was read for the first time and referred to the Committee on Appropriations.

S. F. No. 1011, A bill for an act relating to unemployment compensation; providing for conformity with federal law; imposing an annual surcharge on employers' calendar year contributions for the purpose of repayment of interest charged on federal loans; creating the emergency interest repayment fund;

adding a category to the extension of base period in the definition of base period; updating the law to reflect current practice; making technical changes; removing obsolete language; regulating administrative practices; providing for the effect of back pay awards; regulating benefit amounts, contributions, and benefit eligibility; requiring a report to the legislature on shared work benefits; appropriating money; amending Minnesota Statutes 1982, sections 268.04, subdivisions 2, 12, 17, 25, 26, 29, and by adding a subdivision; 268.05, subdivision 5; 268.06, subdivisions 1, 2, 3a, 5, 20, 28, and 29; 268.07, subdivisions 2 and 3; 268.071, subdivision 3; 268.08, subdivisions 1, 3, 6, and by adding subdivisions; 268.09, subdivisions 1 and 2; 268.10, subdivisions 2, 3, 4, 5, 6, 7, and 9; 268.11, subdivisions 2 and 3; 268.12, subdivisions 8 and 9; 268.16, subdivision 2; 268.161, subdivisions 1, 4, 5, 7, and 8; 268.18, subdivisions 1 and 2; proposing new law coded in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1982, section 268.06, subdivision 32.

The bill was read for the first time.

Riveness moved that S. F. No. 1011 and H. F. No. 1190, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

#### CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Rice requested immediate consideration of H. F. Nos. 233 and 652; and S. F. No. 634.

H. F. No. 233, A bill for an act relating to retirement; providing post retirement annuity or benefit increases for certain retired or disabled public employees.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Clark, K.	Graba	Kalis	Minne
Anderson, G.	Clawson	Greenfield	Kelly	Munger
Anderson, R.	Cohen	Gruenes	Knickerbocker	Murphy
Battaglia	Coleman	Gustafson	Knuth	Nelson, D.
Beard	Dempsey	Gutknecht	Kostohryz	Nelson, K.
Begich	DenOuden	Halberg	Krueger	Neuenschwander
Bennett	Dimler	Haukoos	Kvam	Norton
Bergstrom	Eken	Heap	Larsen	O'Connor
Berkelman	Elioff	Heinitz	Long	Ogren
Bishop	Ellingson	Himle	Ludeman	Olsen
Brandl	Erickson	Hoberg	Mann	Omann
Brinkman	Evans	Hoffman	Marsh	Onnen
Burger	Findlay	Hokr	McDonald	Osthoff
Carlson, D.	Fjoslien	Jennings	McEachern	Otis
Carlson, L.	Forsythe	Johnson	McKasy	Pauly
Clark, J.	Frerichs	Kahn	Metzen	Peterson

Piepho	Rodosovich	Shaver	Swanson	Voss
Piper	Rodriguez, C.	Shea	Thiede	Waltman
Price	Rodriguez, F.	Sherman	Tomlinson	Welch
Quinn	Rose	Simoneau	Tunheim	Welle
Quist	St. Onge	Skoglund	Uphus	Wenzel
Redalen	Sarna	Sparby	Valan	Wigley
Reif	Schoenfeld	Stadum	Valento	Wynia
Rice	Schreiber	Staten	Vanasek	
Riveness	Segal	Sviggum	Vellenga	

The bill was passed and its title agreed to.

H. F. No. 652, A bill for an act relating to retirement; public plans generally; providing for the fiduciary obligation of trustees; complying with federal limits on annual benefits; providing that moneys of public pension plans are for the exclusive benefit of eligible employees and their beneficiaries; amending Minnesota Statutes 1982, sections 356.61; 354A.021, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 356.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Erickson	Knuth	Osthoff	Sherman
Anderson, C.	Evans	Kostohryz	Otis	Simoneau
Anderson, R.	Findlay	Krueger	Pauly	Skoglund
Battaglia	Fjoslien	Kvam	Peterson	Solberg
Beard	Forsythe	Larsen	Piepho	Sparby
Begich	Frerichs	Levi	Piper	Stadum
Bennett	Graba	Long	Price	Staten
Bergstrom	Greenfield	Ludeman	Quinn	Sviggum
Berkelman	Gruenes	Mann	Quist	Swanson
Bishop	Gustafson	Marsh	Redalen	Thiede
Brandl	Gutknecht	McDonald	Reif	Tomlinson
Brinkman	Halberg	McEachern	Rice	Tunheim
Burger	Haukoos	McKasy	Riveness	Uphus
Carlson, D.	Heap	Metzen	Rodosovich	Valan
Carlson, L.	Heinitz	Minne	Rodriguez, C.	Valento
Clark, J.	Himle	Munger	Rodriguez, F.	Vanasek
Clark, K.	Hoberg	Murphy	Rose	Vellenga
Clawson	Hoffman	Nelson, D.	St. Onge	Voss
Cohen	Hokr	Nelson, K.	Sarna	Waltman
Coleman	Jacobs	Neuenschwander	Schafer	Welch
Dempsey	Jennings	Norton	Scheid	Welker
DenOuden	Johnson	O'Connor	Schoenfeld	Welle
Dimler	Kahn	Ogren	Schreiber	Wenzel
Eken	Kalis	Olsen	Segal	Wigley
Elioff	Kelly	Omann	Shaver	Wynia
Ellingson	Knickerbocker	Onnen	Shea	

The bill was passed and its title agreed to.

The Speaker assumed the Chair.

S. F. No. 634 was reported to the House.

DenOuden moved to amend S. F. No. 634, the unofficial engrossment, as follows:

Page 3, line 19, delete "\$2.50" insert "\$1.75"

A roll call was requested and properly seconded.

Burger moved to amend the DenOuden amendment to S. F. No. 634, the unofficial engrossment, as follows:

In the DenOuden amendment delete "\$1.75" insert "\$2.00"

The motion did not prevail and the amendment to the amendment was not adopted.

The question recurred on the DenOuden amendment and the roll was called. There were 33 yeas and 86 nays as follows:

Those who voted in the affirmative were:

Bishop	Frerichs	Johnson	Rose	Vanasek
Burger	Gruenes	Kvam	Schafer	Voss
Carlson, D.	Gutknecht	Ludeman	Seaberg	Weltman
DenOuden	Haukoos	Olsen	Shaver	Welker
Erickson	Heinitz	Onnen	Sherman	Zaffke
Findlay	Hokr	Piepho	Swiggum	
Fjoslien	Jennings	Quist	Swanson	

Those who voted in the negative were:

Anderson, G.	Ellingson	Mann	Piper	Solberg
Anderson, R.	Evans	Marsh	Price	Sparby
Battaglia	Forsythe	McEachern	Quian	Staten
Beard	Graba	McKasy	Redalen	Tomlinson
Begich	Greenfield	Metzen	Reif	Tunheim
Bennett	Gustafson	Minne	Rice	Uphus
Berkelman	Halberg	Munger	Rivness	Valan
Brandl	Himle	Murphy	Rodosovich	Vellenga
Brinkman	Hoffman	Nelson, D.	Rodriguez, C.	Welch
Carlson, L.	Kahn	Nelson, K.	Rodriguez, F.	Welle
Clark, J.	Kalis	Ncuenschwander	St. Onge	Wenzel
Clawson	Kelly	Norton	Sarna	Wigley
Cohen	Knickerbocker	O'Connor	Schoenfeld	Wynia
Coleman	Knuth	Ogren	Schreiber	Speaker Sieben
Dempsey	Kostohryz	Osthoff	Segal	
Dimler	Krueger	Otis	Shea	
Eken	Larsen	Pauly	Simoneau	
Eloff	Long	Peterson	Skoglund	

The motion did not prevail and the amendment was not adopted.

Ludeman moved to amend S. F. No. 634, the unofficial engrossment, as follows:

Page 6, line 13, delete lines 13 to 36

Page 7, delete lines 1 to 30

A roll call was requested and properly seconded.

The Speaker called Wynia to the Chair.

Reif was excused between the hours of 2:15 p.m. until 3:15 p.m.

The question was taken on the amendment and the roll was called. There were 16 yeas and 101 nays as follows:

Those who voted in the affirmative were:

DenOuden	Haukoos	McKasy	Seaberg	Welker
Dimler	Heinitz	Ornen	Voss	Zaffke
Frerichs	Jennings	Quist		
Cutknecht	Ludeman	Schafer		

Those who voted in the negative were:

Anderson, B.	Ellingson	Larsen	Piper	Staten
Anderson, G.	Evans	Long	Price	Swanson
Anderson, R.	Findlay	Mann	Quinn	Thiede
Battaglia	Forsythe	Marsh	Redalen	Tomlinson
Beard	Graba	McEachern	Rice	Tunheim
Begich	Greenfield	Metzen	Riveness	Uphus
Bennett	Gruenes	Minne	Rodosovich	Valan
Bergstrom	Gustafson	Munger	Rodriguez, C.	Valento
Berkeiman	Halberg	Murphy	Rodriguez, F.	Vanasek
Brandl	Heap	Nelson, D.	St. Onge	Vellenga
Brinkman	Hoffman	Nelson, K.	Sarna	Waltman
Burger	Jacobs	Neuenschwander	Schoenfeld	Welch
Carlson, D.	Johnson	Norton	Schreiber	Welle
Carlson, L.	Kahn	O'Conner	Segal	Wenzel
Clark, J.	Kalis	Ogren	Shaver	Wigley
Clawson	Kelly	Olsen	Shea	Wynia
Cohen	Knickerbocker	Omann	Sherman	Speaker Sieben
Coleman	Knuth	Osthoff	Simoneau	
Dempsey	Kostohryz	Otis	Skoglund	
Eken	Krueger	Peterson	Sparby	
Elioff	Kvam	Piepho	Stadum	

The motion did not prevail and the amendment was not adopted.

The Speaker resumed the Chair.

Redalen moved to amend S. F. No. 634, the unofficial engrossment, as follows:

Page 4, delete lines 1 to 5 and insert:

*“(c) Upgrading of fish propagation capabilities in order to improve the efficiency of fish production, expansion of wall-eyed pike production from waters subject to winter kill for*

*stocking in more suitable waters, introduction of new species where deemed biologically appropriate by the commissioner, and purchase of fish from private hatcheries for stocking purposes."*

The motion prevailed and the amendment was adopted.

Anderson, R., moved to amend S. F. No. 634, the unofficial engrossment, as amended, as follows:

Page 4, after line 30, insert:

*"Subd 3. Neither the commissioner nor his agents may sell fishing licenses outside of the state of Minnesota."*

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 40 yeas and 82 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Frerichs	Johnson	Onnen	Solberg
Carlson, D.	Haukoos	Knickerbocker	Pauly	Stadum
Cohen	Heap	Long	Piepho	Sviggum
Dempsey	Heinitz	Ludeman	Quist	Uppus
Erickson	Himle	McDonald	Schafer	Valan
Evans	Hoberg	McKasy	Schoenfeld	Voss
Findlay	Hokr	Olsen	Seaberg	Waitman
Fjoslien	Jennings	Omann	Sherman	Welker

Those who voted in the negative were:

Anderson, B.	Eken	Larsen	Piper	Staten
Anderson, G.	Elioff	Mann	Price	Swanson
Battaglia	Ellingson	Marsh	Quinn	Thiede
Beard	Forsythe	McEachern	Redalen	Tomlinson
Begich	Greenfield	Metzen	Rice	Tunheim
Bennett	Gruenes	Minne	Riveness	Valento
Bergstrom	Gustafson	Munger	Rodosovich	Vellenga
Berkelman	Halberg	Murphy	Rodriguez, C.	Welch
Bishop	Hoffman	Nelson, D.	Rodriguez, F.	Welle
Brandl	Jacobs	Nelson, K.	Rose	Wenzel
Brinkman	Kahn	Neuenschwander	St. Onge	Wigley
Carlson, L.	Kalis	Norton	Sarna	Wynia
Clark, J.	Kelly	O'Connor	Segal	Zaifke
Clark, K.	Knuth	Ogren	Shea	Speaker Sieben
Clawson	Kostohryz	Osthoff	Simoneau	
Coleman	Krueger	Otis	Skoglund	
DenOuden	Kvam	Peterson	Sparby	

The motion did not prevail and the amendment was not adopted.

DenOuden moved to amend S. F. No. 634, the unofficial engrossment, as amended, as follows:

Page 3, line 19, delete "\$2.50" insert "\$2.25"



Page 5, line 1, delete "\$5" insert "\$4.25"

Page 5, line 2, delete "\$15" insert "\$14.25"

The motion did not prevail and the amendment was not adopted.

Carlson, D., moved to amend S. F. No. 634, the unofficial engrossment, as amended, as follows:

Page 4, line 10, delete "covert"

Page 4, line 11, delete "operations," and delete the comma after "workteams"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called. There were 58 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Findlay	Jennings	Omann	Sviggum
Bishop	Fjoslien	Johnson	Onnen	Thiede
Brinkman	Forsythe	Knickerbocker	Pauly	Uphus
Burger	Frerichs	Krueger	Piepho	Valan
Carlson, D.	Gruenes	Kvam	Quist	Valento
Clawson	Gutknecht	Levi	Redalen	Waltman
Cohen	Haukoos	Ludeman	Schafer	Welker
Dempsey	Heap	Mann	Seaberg	Wenzel
DenOuden	Heinitz	Marsh	Shea	Wigley
Dimler	Himle	McDonald	Sherman	Zatfke
Erickson	Hoberg	McKasy	Stadum	
Evans	Hokr	Olsen	Staten	

Those who voted in the negative were:

Anderson, B.	Ellingson	McEachern	Piper	Simoneau
Anderson, G.	Graba	Metzen	Price	Skoglund
Battaglia	Greenfield	Minne	Quinn	Solberg
Beard	Gustafson	Munger	Rice	Sparby
Begich	Halberg	Murphy	Riveness	Swanson
Bennett	Hoffman	Nelson, D.	Rodosovich	Tomlinson
Bergstrom	Jacobs	Nelson, K.	Rodriguez, F.	Tunheim
Berkelman	Kahn	Neuenschwander	Rose	Vellenga
Brandl	Kalis	Norton	St. Onge	Voss
Carlson, L.	Kelly	O'Connor	Sarna	Welch
Clark, J.	Knuth	Ogren	Scheid	Welle
Clark, K.	Kostohryz	Osthoff	Schoenfeld	Wynia
Eken	Larsen	Otis	Segal	Speaker Sieben
Elioff	Long	Peterson	Shaver	

The motion did not prevail and the amendment was not adopted.

S. F. No. 634, A bill for an act relating to game and fish; imposing a surcharge on fishing licenses for development and improvement of state fishing resources; authorizing designation of experimental and specialized fishing waters; authorizing additional notice of netting season; increasing certain license fees; prohibiting angling and use of tip-ups while spearing in a dark house; prohibiting issuance of new commercial game fish netting licenses; allowing designation of lakes for taking of certain muskellunge; reducing the seasonal commercial walleye take in Lake of the Woods and Rainy Lake; amending Minnesota Statutes 1982, sections 97.48, subdivisions 8, 22, and 26, and by adding a subdivision; 97.53, by adding a subdivision; 98.46, subdivision 5; 101.42, subdivisions 1a and 20; and 102.26, by adding subdivisions; proposing new law coded in Minnesota Statutes, chapters 97 and 102.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 103 yeas and 22 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Forsythe	Larsen	Peterson	Skoglund
Anderson, G.	Graba	Levi	Piepho	Solberg
Battaglia	Greenfield	Long	Piper	Sparby
Beard	Gruenes	Mann	Price	Stadum
Begich	Gustafson	Marsh	Quinn	Staten
Bennett	Gutknecht	McEachern	Redalen	Sviggum
Bergstrom	Halberg	McKasy	Rice	Swanson
Berkelman	Heap	Metzen	Riveness	Thiede
Brandl	Heinitz	Minne	Rodosovich	Tomlinson
Brinkman	Himle	Munger	Rodriguez, C.	Tunheim
Burger	Hoberg	Murphy	Rodriguez, F.	Valan
Carlson, L.	Hoffman	Nelson, D.	Rose	Valento
Clark, J.	Jacobs	Nelson, K.	St. Onge	Waltman
Clark, K.	Johnson	Neuenschwander	Sarna	Welch
Clawson	Kahn	Norton	Schoenfeld	Welle
Cohen	Kalis	O'Connor	Schreiber	Wenzel
Coleman	Kelly	Olsen	Segal	Wigley
Dempsey	Knickerbocker	Omamm	Shaver	Wynia
Eken	Knuth	Osthoff	Shea	Speaker Sieben
Elioff	Kostohryz	Otis	Sherman	
Ellingson	Krueger	Pauly	Simoneau	

Those who voted in the negative were:

Anderson, R.	Findlay	Jennings	Quist	Welker
Carlson, D.	Fjoslien	Kvam	Schafer	Zaffke
Dimler	Frerichs	Ludeman	Uphus	
Erickson	Haukoos	McDonald	Vanasek	
Evans	Hokr	Onnen	Voss	

The bill was passed, as amended, and its title agreed to.

There being no objection the order of business reverted to Messages from the Senate.

## MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 1234.

PATRICK E. FLAHAVEN, Secretary of the Senate

## FIRST READING OF SENATE BILLS

S. F. No. 1234, A bill for an act relating to the organization and operation of state government; appropriating money for welfare, corrections, health, and other purposes with certain conditions; providing appropriations for the departments of public welfare, economic security, corrections, health, sentencing guidelines commission, corrections ombudsman, and health related boards; providing an entitlement to certain child care services; increasing marriage license and dissolution fees; providing for distribution of federal maternal and child health block grant money; requiring cost increase limits and other cost containment measures in medical care programs; amending eligibility standards; changing general assistance to allow flat grants, employment through grant diversion and work registration requirements, and federal benefit application incentives; providing for job training for certain persons; appropriating money for welfare, corrections, health, and other purposes with certain conditions; providing appropriations for the departments of public welfare, economic security, corrections, health, sentencing guidelines commission, corrections ombudsman, and health related boards; amending Minnesota Statutes 1982, sections 129A.03; 144.653, subdivision 2; 144A.04, subdivision 5; 144A.-10, subdivision 2; 145.882; 145.921, subdivision 1; 245.62; 245.-66; 245.83; 245.84, subdivisions 1, 2, and 5; 245.85; 245.86; 245.87; 256.045, subdivision 3; 256.82, by adding a subdivision; 256.966, subdivision 1; 256.968; 256B.02, subdivision 8; 256B.04, subdivision 14, and by adding a subdivision; 256B.06, subdivision 1; 256B.07; 256B.14, subdivision 2; 256B.17, subdivision 4, and by adding subdivisions; 256B.27, subdivision 3; 256B.48, by adding a subdivision; 256D.01, subdivision 1; 256D.02, subdivision 4; 256D.03, subdivisions 3 and 4, and by adding subdivisions; 256D.05, subdivision 1a; 256D.06, subdivision 5; 256D.-09, subdivision 2, and by adding a subdivision; 260.191, subdivision 2; 260.242, subdivision 2; 261.23; 357.021, subdivisions 2 and 2a; 401.14, by adding a subdivision; 401.15, subdivision 1; 517.08, subdivisions 1b and 1c; proposing new law coded in Minnesota Statutes, chapters 145; 252; 256; 256B; 256D; and 268; repealing Minnesota Statutes 1982, sections 256D.02, subdivision 14; 256D.05, subdivision 1a; 256D.06, subdivision 1a;

256D.22; and Laws 1981, chapter 360, article II, section 54, as amended.

The bill was read for the first time.

#### SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Wynia moved that the rule therein be suspended and an urgency be declared so that S. F. No. 1234 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Wynia moved that the rules of the House be so far suspended that S. F. No. 1234 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 1234 was read for the second time.

Wynia moved to amend S. F. No. 1234, as follows:

Delete everything after the enacting clause and insert:

#### “ARTICLE 1

Section 1. [WELFARE, CORRECTIONS, HEALTH; APPROPRIATIONS.]

The sums set forth in the columns designated “APPROPRIATIONS” are appropriated from the general fund, or any other fund designated, to the agencies and for the purposes specified in this act, to be available for the fiscal years indicated for each purpose. The figures “1984” and “1985” wherever used in this act refer to fiscal years and mean that the appropriation or appropriations listed thereunder shall be available for the fiscal year ending June 30, 1984, or June 30, 1985, respectively.

#### SUMMARY BY FUND

	1984	1985	TOTAL
General .....	\$920,539,300	\$973,469,400	\$1,894,008,700
Trunk Highway .....	\$386,000	\$389,700	\$775,700

APPROPRIATIONS  
Available for the Year  
Ending June 30,

	1984	1985
	\$	\$

AGENCY AND PURPOSE

Sec. 2. COMMISSIONER OF  
PUBLIC WELFARE

Subdivision 1. Total Department Appropriation .....	742,210,500	810,255,500
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The amounts that may be expended from this appropriation for each program and activity are more specifically described in the following subdivisions of this section.

Positions and administrative money may be transferred within the department of public welfare as deemed necessary by the commissioner, upon the advance approval of the commissioner of finance.

Subd. 2. Welfare Management .....	1,334,000	1,342,800
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Estimated federal money to be deposited in the general fund that is earned by the various accounts of the department of public welfare is detailed on the worksheets of the conferees of the senate and house of representatives, a true copy of which is on file in the office of the commissioner of finance. If federal money anticipated is less than shown on the official worksheets, the commissioner of finance shall reduce the amount available from the specific appropriation by a like amount. The reductions shall be noted in the budget document submitted to the 74th legislature in addition to an estimate of similar federal money anticipated for the biennium ending June 30, 1987.

Subd. 3. Support Services .....	8,506,100	8,373,700
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	1984	1985
	\$	\$

Notwithstanding the provisions of sections 246.51, 246.64, 251.011, or any other law to the contrary, for the biennium ending June 30, 1985, 1-1/4 percent of all funds estimated in the biennial budget document or in working papers of the two appropriations committees to be collected by the reimbursement division of the bureau of support services, department of public welfare, from any source, for cost of care in state-operated hospitals and nursing homes, shall be appropriated to the commissioner of public welfare for the operation of the collections division, subject to the budgetary control of the commissioner of finance. This provision shall not be construed to permit the commissioner of public welfare to reduce the amount of money available for patient care in state-operated hospitals and nursing homes. A quarterly report showing all receipts and expenditures shall be submitted to the house committee on appropriations and the senate committee on finance.

Subd. 4. Social Services	66,949,300	70,020,100
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The amounts that may be expended from this appropriation for each activity are as follows:

#### Community Social Services

\$ 54,625,600	\$ 57,498,700
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The payments for the community social services subsidy for each county shall be based upon the formula in effect for calendar year 1983. In addition the amount available for each county shall be increased by five percent on January 1, 1984 for calendar year 1984 and by five percent on January 1, 1985 for the first six months of 1985. No county shall receive less than the amount received in 1981; however, this appropriation shall be prorated if the amount is insufficient.

	1984	1985
	\$	\$
Aging, Blind, and Deaf Services		
	\$ 6,469,500	\$ 6,501,700
Social Services Support		
	\$ 5,854,200	\$ 6,019,700

This appropriation includes the sum of \$30,000 in fiscal year 1984 for the purpose of providing a grant-in-aid to The Bridge for Runaway Youth, Inc. for expenses related to a program which offered support for teenage women who wish to stop their involvement in prostitution and short-term residence and support for teenage runaways.

This is the final and non-recurring appropriation for The Bridge for Runaway Youths, Inc.

Subd. 5. Income Maintenance . . . . . 626,328,000 693,317,200

The amounts that may be expended from this appropriation for each activity are as follows:

Aid to Families with Dependent Children, General Assistance, Minnesota Supplemental Assistance

\$137,840,900 \$151,508,600

If the appropriation for aid to families with dependent children, general assistance, and Minnesota supplemental assistance is insufficient for either year, the appropriation for the other year shall be available by direction of the governor after consulting with the legislative advisory commission.

For the fiscal biennium ending June 30, 1985, the commissioner of public welfare shall provide supplementary grants, not to exceed \$150,000 per year, for aid to families with dependent children and shall include the following costs in deter-

	1984	1985
	\$	\$

mining the amount of the supplementary grants: major home repairs, repair of major home appliances, utility recaps, supplementary dietary needs not covered by medical assistance, and replacement of essential household furnishings and essential major appliances.

In determining the amount of the aid to families with dependent children grants, the commissioner of public welfare shall effect a five percent increase on July 1, 1983, and a five percent increase on July 1, 1984, unless federal statute or regulation requires otherwise.

Medical Assistance, General Assistance Medical Care, Preadmission Screening, and Alternative Care Grants

\$473,596,100	\$526,540,300
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The maximum monthly payment for attendant care shall be adjusted to \$1,080 per month effective July 1, 1983.

If the appropriation for medical assistance and general assistance medical care is insufficient for either year, the appropriation for the other year shall be available by direction of the governor after consulting with the legislative advisory commission.

The estimated acquisition cost of prescription drug ingredients for recipients of general assistance medical care is not subject to the eight percent increase limit, any general state payment reduction, or cost limitation described in this section, except as required under federal law or regulation. No co-payment shall be required for prescription drugs for recipients of general assistance medical care.

Income Maintenance Support

\$ 14,891,000	\$ 15,268,300
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	1984	1985
	\$	\$

For the child support enforcement activity, during the fiscal biennium ending June 30, 1985, sums received from the counties for provision of data processing services shall be deposited in that activity's account. Those sums are appropriated to the commissioner of public welfare for the purposes of the child support enforcement activity.

Subd. 6. Mental Health	39,093,100	37,201,700
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Any federal money received in excess of the estimates shown in the 1983 department of public welfare budget document shall reduce the state appropriation available by a like dollar amount, unless otherwise directed by the governor, after consulting with the legislative advisory commission.

The amounts that may be expended from this appropriation for each activity are as follows:

#### State Hospitals and Nursing Homes

##### Approved Complement—

1984—6017.6

1985—6006.6

#### Salaries, Current Expense, Special Equipment

\$ 24,731,000    \$ 22,595,300

This appropriation includes \$242,700 for the purpose of operating an experimental project for chronically chemically dependent people at Ah Gwah Ching state nursing home. The commissioner of public welfare shall augment the program with federal money and any additional money provided through shared service agreements pursuant to Minnesota Statutes 1982, section 246.57, after the amount of the

	1984	1985
	\$	\$

state appropriation has been recovered and deposited in the general fund.

The commissioner shall maintain records of the operations of this project, evaluate the efficiency and effectiveness of the treatment program, and report back to the legislature during the 1984 session on the amount deposited to the general fund from the shared service agreements and the necessity and viability of operating this project in the future.

#### Repairs and Betterments

\$ 666,000

Any unexpended balance remaining in the first year for special equipment and repairs and betterments does not cancel but is available for the second year of the biennium.

#### Mental Health Support

\$ 13,696,100    \$ 14,606,400

If earnings under the various shared services agreements authorized in this subdivision are less than appropriated, the appropriation shall be reduced by a like dollar amount. If any shared service agreement is reduced or terminated, the approved complement related to that shared service agreement shall be reduced accordingly.

Notwithstanding the provisions of sections 275.50 to 275.58 or any other law to the contrary, a county which transferred monies from its general revenue account to the public assistance administrative account prior to May 1, 1983, to cover 1983 expenditures, may transfer without penalty from the special levy accounts delineated in section 275.50, subdivision 5, clauses (c) and (d), to the account for public assistance

	1984	1985
	\$	\$

administration, an amount not to exceed the total amount originally transferred from the general revenue account. The transfer of this sum may occur over a period of time to include calendar years 1983, 1984, and 1985.

### Sec. 3. COMMISSIONER OF ECONOMIC SECURITY

Subdivision 1. Total Department Appropriation .....	71,446,900	56,510,600
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The amounts that may be expended from this appropriation for each program are more specifically described in the following subdivisions of this section.

#### Subd. 2. Governor's Jobs Program

\$ 47,970,000	\$ 32,200,000
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#### Subd. 3. Job Service

\$ 4,634,900	\$ 3,134,900
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Of the money appropriated for the summer youth program for fiscal year 1984, \$750,000 is immediately available. If that amount is insufficient for the costs incurred, an additional amount may be transferred upon the advance approval of the commissioner of finance. Any unexpended balance of the immediately available money shall be available for the year in which it is appropriated. Contracts for the 1983 program shall be written for the entire period of the 1983 program.

The commissioner may spend up to one percent of the appropriation for each fiscal year for the department's administrative costs and for program operators' administrative costs.

	1984	1985
	\$	\$

Subd. 4. Vocational Rehabilitation Services

\$ 15,342,100    \$ 16,621,200

For the fiscal biennium ending June 30, 1985, money received from workers' compensation carriers for vocational rehabilitation services to injured workers shall be deposited in the general fund.

Any federal money received for independent living services in excess of those shown in the 1983 budget document, shall reduce the state appropriation by a similar amount.

Any federal money received in excess of the estimates shown in the 1983 budget document shall reduce the state appropriation available by a like dollar amount, unless otherwise directed by the governor, after consulting with the legislative advisory commission.

The commissioner may spend money received from school districts, governmental subdivisions, mental health authorities, and private nonprofit organizations for the purpose of conducting joint or cooperative vocational rehabilitation programs, and this money is appropriated for this purpose.

Subd. 5. Training and Community Services

\$ 3,087,400    \$ 4,142,000

If the appropriation for either year of the weatherization program is insufficient, the appropriation from the other year is available for the program.

Subd. 6. Program and Management Support

\$ 412,500    \$ 412,500

	1984	1985
	\$	\$

The appropriation for the displaced homemaker program includes money for the purpose of making grants to programs to provide employment, training and support services to displaced homemakers.

Sec. 4. COMMISSIONER OF CORRECTIONS

Subdivision 1. Total Department Appropriation .....	78,676,900	79,767,900
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The amounts that may be expended from the appropriation for each program and activity are more specifically described in the following subdivisions of this section.

During the fiscal biennium ending June 30, 1985, positions and administrative money may be transferred within the department of corrections as deemed necessary by the commissioner, upon the advance approval of the commissioner of finance.

Subd. 2. Management Services .....	1,865,500	1,888,000
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During the fiscal biennium ending June 30, 1985, no new positions eligible for county probation reimbursement under this activity shall be added by any county without the written approval of the commissioner of corrections.

When new positions are approved, the commissioner shall include the cost of those positions in calculating each county's share.

Subd. 3. Policy and Planning .....	1,368,700	1,505,100
Subd. 4. Community Services .....	21,415,200	20,625,900

The amounts that may be expended from this appropriation for each activity are as follows:

	1984	1985
	\$	\$
Support		
	\$ 8,845,400	\$ 9,056,100

During the fiscal biennium ending June 30, 1985, the commissioner of corrections may authorize the use of a percentage of a grant for the operation of an emergency shelter or make a separate grant for the rehabilitation of any facility owned by the grantee and used as a shelter to bring the facility into compliance with state and local laws pertaining to health, fire, and safety, and to provide security.

#### Community Corrections Act

	\$ 12,569,800	\$ 11,569,800
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Notwithstanding the provisions of Minnesota Statutes, chapter 401, no county or group of counties participating in the community corrections act shall be charged any per diem cost of confinement for adults sentenced to the commissioner of corrections for crimes committed on or after January 1, 1981.

Subd. 5. Correctional Institutions	54,027,500	55,748,900
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#### Salaries

	\$ 41,392,100	\$ 42,541,800
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#### Current Expense

	\$ 8,575,700	\$ 8,986,400
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#### Repairs and Betterments

	\$ 654,200	\$ 706,500
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#### Special Equipment

	\$ 171,200	\$ 180,100
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	1984	1985
	\$	\$

Any unexpended balance in special equipment, repairs and betterments, and industry remaining in the first year does not cancel but is available for the second year of the biennium.

The commissioner of corrections is authorized to enter into an agreement with the appropriate Wisconsin officials for housing Wisconsin prisoners in Minnesota correctional facilities. Money received from Wisconsin pursuant to the agreement is appropriated to the commissioner of corrections for the purpose of operating the Minnesota Correctional Facility-Oak Park Heights and reimbursing Minnesota Correctional Facility-Stillwater and Minnesota Correctional Facility-St. Cloud for the cost of Wisconsin inmate care. Any unexpended balances within correctional institutions in current expense and salaries remaining in the first year does not cancel but is available for the second year of the biennium if receipt projections in the first year show a deficit for the biennium.

Notwithstanding any law to the contrary, if a county or municipality purchases labor or materials used in high-way construction or maintenance from a prison industry located in another state which could have been purchased from a Minnesota supplier, the county or municipality is ineligible to receive a distribution of local government aid pursuant to Minnesota Statutes 1982, section 477A.0135, for the remainder of the calendar year in which the purchase is made and for the full calendar year following the purchase.

#### Institution Support

\$ 3,234,300	\$ 3,334,100
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#### Sec. 5. SENTENCING GUIDELINES COMMISSION

Salaries, Supplies and Expense	154,000	157,400
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	1984	1985
	\$	\$
<b>Sec. 6. CORRECTIONS OMBUDSMAN</b>		
Salaries, Supplies and Expense .....	270,000	272,100

**Sec. 7. COMMISSIONER OF  
HEALTH**

<b>Subdivision 1. Total Department Ap- propriation</b> .....	<b>25,077,500</b>	<b>24,679,900</b>
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Of this appropriation \$386,000 for fiscal year 1984 and \$389,700 for fiscal year 1985 are appropriated from the trunk highway fund for emergency medical services activities.

The amounts that may be expended from this appropriation for each program and activity are more specifically described in the following subdivisions of this section.

Positions and administrative money may be transferred within the department of health as deemed necessary by the commissioner, upon the advance approval of the commissioner of finance.

<b>Subd. 2. Preventive and Personal Health Services</b> .....	<b>8,827,200</b>	<b>9,205,100</b>
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Notwithstanding any law to the contrary, during the fiscal biennium ending June 30, 1985, the commissioner of health shall charge a fee of not less than \$5 for medical laboratory services.

During the fiscal biennium ending June 30, 1985, the commissioner of health may charge a fee for voluntary certification of medical laboratories and environmental laboratories. The fee may be established without complying with Minnesota Statutes, chapter 14.

During the fiscal biennium ending June 30, 1985, the commissioner of health may charge fees for environmen-



	1984	1985
	\$	\$
tal and medical laboratory services in amounts approximately equal to the costs of providing the services. The fees may be established without complying with Minnesota Statutes, chapter 14.		

The commissioner of health shall conduct a study and evaluation of lead exposure and the health effects on children. The commissioner shall report the findings of the study to the legislature by February 1, 1984.

Subd. 3. Health Systems Quality Assurance .....	1,930,600	1,947,900
Subd. 4. Health Support Services .....	14,319,700	13,526,900

The amounts that may be expended from this appropriation for each activity are as follows:

General support.

\$ 3,437,000    \$ 3,489,100

Community Health Services Subsidy

\$ 10,882,700    \$ 10,037,800

For the purposes of the community health services subsidy, the commissioner of finance may authorize the transfer of money to the community health services activity from the other programs in this section.

The payments for the community health services subsidy for each county shall be based upon the formula in effect in fiscal year 1983 except that the amount available for each county shall be increased by five percent each year of the biennium ending June 30, 1985, and be based upon the data used in arriving at the appropriation. No county, city, group of cities, or group of counties shall receive less than the amount re-

	1984	1985
	\$	\$

ceived in 1981; however, this appropriation shall be prorated if the amount is insufficient.

If the appropriation for community health services or services to children with handicaps is insufficient for either year, the appropriation for the other year shall be available by direction of the governor after consulting with the legislative advisory commission.

For the purposes of the community health services subsidy, the commissioner shall include public school swimming pool sanitation and safety within the definition of environmental health services.

#### Sec. 8. HEALTH RELATED BOARDS

Subdivision 1. Board of Chiropractic Examiners .....	87,900	89,400
Subd. 2. Board of Dentistry .....	256,700	263,500
Subd. 3. Board of Medical Examiners .....	421,300	414,300
Subd. 4. Board of Nursing .....	766,400	783,100
Subd. 5. Board of Examiners for Nursing Home Administrators .....	105,500	107,400
Subd. 6. Board of Optometry .....	48,300	49,600
Subd. 7. Board of Pharmacy .....	327,900	327,400
Subd. 8. Board of Podiatry .....	5,800	6,000
Subd. 9. Board of Psychology .....	104,000	107,200
Subd. 10. Board of Veterinary Medicine .....	65,700	67,800

The commissioner of finance shall not permit the allotment, encumbrance, or

	1984	1985
	\$	\$

expenditure of any money appropriated in this section in excess of the anticipated biennial revenues.

Neither this subdivision nor Minnesota Statutes, section 214.06 apply to transfers from the general contingent account if the amount transferred does not exceed the amount of surplus revenue accumulated during the previous five years.

Sec. 9. CONTINGENT FOR STATE INSTITUTIONS ..... 500,000

This appropriation shall be used for emergency purposes and for the purchase of food, clothing, drugs, utilities, and fuel for any of the institutions for which an appropriation is made in this act. No expenditure shall be made from this appropriation without the direction of the governor after consulting with the legislative advisory commission.

Any unexpended balance remaining in the first year does not cancel but is available for the second year of the biennium.

For each year of the fiscal biennium ending June 30, 1985, the allowance for food may be adjusted annually according to the United States department of labor, bureau of labor statistics publication wholesale price index, upon the approval of the governor. Adjustments shall be based on the June, 1983, wholesale food price index, but the adjustment shall be prorated if the wholesale food price index adjustment would require money in excess of this appropriation.

Sec. 10. SPECIAL CONTINGENT ..... 400,000

This appropriation is available for use by the department of public welfare to match federal money from the home and community based waiver under United States Code, title 42, section

	1984	1985
	\$	\$

1396n(c), as amended through December 31, 1982, for costs to establish a client information system and for positions to administer the mental retardation program. These funds are not available to the department if the home and community based waiver application is not approved by June 30, 1984.

Sec. 11. [ ]

For the fiscal biennium ending June 30, 1985 federal receipts as shown in the biennial budget document or in working papers of the two appropriations committees to be used for financing activities, programs, and projects under the supervision and jurisdiction of the commissioner of public welfare as approved in Article 1, section 10 and Article 4, sections 9 and 12 shall be accredited to and become a part of the appropriations provided for in section 2.

Sec. 12. [PROVISIONS.]

*For the fiscal biennium ending June 30, 1985, money appropriated to the commissioner of corrections and to the commissioner of public welfare for the purchase of provisions within the item "current expense" shall be used solely for that purpose. Any money so provided and not used for purchase of provisions shall be canceled into the fund from which appropriated, except that money so provided and not used for the purchase of provisions because of population decreases may be transferred and used for the purchase of medical and hospital supplies with the approval of the governor after consulting with the legislative advisory commission.*

Sec. 13. [TRANSFERS OF MONEY.]

*Subdivision 1. [GOVERNOR'S APPROVAL REQUIRED.] For the fiscal biennium ending June 30, 1985, the commissioner of public welfare, the commissioner of corrections, the commissioner of economic security, and the commissioner of health shall not transfer any money to or from personal services, or claims and grants, as shown on the official worksheets of the conferees of the senate and house of representatives, a true copy of which is on file in the office of the commissioner of finance, except for those transfers that have the written approval of the governor after consulting with the legislative advisory commission.*

*Subd. 2. For the fiscal biennium ending June 30, 1985, the commissioners of public welfare, corrections, and health by direc-*

*tion of the governor after consulting with the legislative advisory commission may transfer unobligated appropriation balances and positions among all programs.*

Sec. 14. [APPROVED COMPLEMENT.]

*For the fiscal biennium ending June 30, 1985, the approved complements indicated in this act are full-time equivalent positions and apply only to positions paid for with money appropriated by this act.*

*Additional employees over the number of the approved complement may be employed on the basis of public necessity or emergency with the written approval of the governor, but the governor shall not approve the additional personnel until he has consulted with the legislative advisory commission. Any request for increases in the approved complement shall be forwarded to the appropriate committees on finance of the legislature not less than 30 days prior to the legislative advisory commission meeting.*

Sec. 15. Minnesota Statutes 1982, section 144.653, subdivision 2, is amended to read:

Subd. 2. [PERIODIC INSPECTION.] All facilities required to be licensed under the provisions of sections 144.50 to 144.58 shall be periodically inspected by the (STATE) commissioner of health to (INSURE) ensure compliance with (ITS) rules (, REGULATIONS) and standards. Inspections shall occur at different times throughout the calendar year. The (STATE) commissioner of health may enter into agreements with political subdivisions providing for the inspection of such facilities by locally employed inspectors.

*The commissioner of health shall conduct inspections and reinspections of all health care facilities licensed under the provisions of sections 144.50 to 144.56, with a frequency and in a manner calculated to produce the greatest benefit to residents within the limits of the resources available to the commissioner. In performing this function, the commissioner may devote proportionately more resources to the inspection of those facilities in which conditions present the most serious concerns with respect to resident health, treatment, comfort, safety, and well-being.*

*These conditions include but are not limited to: change in ownership; frequent change in administration in excess of normal turnover rates; complaints about care, safety, or rights; where previous inspections or reinspections have resulted in correction orders related to care, safety, or rights; and, where persons involved in ownership or administration of the facility have been indicted for alleged criminal activity. Any health care facility that has none of these conditions or any other condition estab-*

*lished by the commissioner that poses a risk to resident care, safety, or rights shall be inspected once every two years.*

Sec. 16. Minnesota Statutes 1982, section 144A.10, subdivision 2, is amended to read:

Subd. 2. [INSPECTIONS.] The commissioner of health shall (ANNUALLY) inspect each nursing home to (ASSURE) *ensure* compliance with sections 144A.01 to 144A.17 and the rules promulgated (THEREUNDER) *to implement them*. The (ANNUAL) inspection shall be a full inspection of the nursing home. If upon a reinspection provided for in subdivision 5 the representative of the commissioner of health finds one or more uncorrected violations, a second inspection of the facility shall be conducted: The second inspection need not be a full inspection. No prior notice shall be given of an inspection conducted pursuant to this subdivision. Any employee of the commissioner of health who willfully gives or causes to be given any advance notice of an inspection required or authorized by this subdivision shall be subject to suspension or dismissal in accordance with chapter 43A. An inspection required by a federal rule or statute may be conducted in conjunction with or subsequent to any other inspection. Any inspection required by this subdivision may be in addition to or in conjunction with the reinspections required by subdivision 5. Nothing in this subdivision shall be construed to prohibit the commissioner of health from making more than one unannounced inspection of any nursing home during its license year. The commissioner of health shall coordinate his inspections of nursing homes with inspections by other state and local agencies.

*The commissioner shall conduct inspections and reinspections of health facilities with a frequency and in a manner calculated to produce the greatest benefit to residents within the limits of the resources available to the commissioner. In performing this function, the commissioner may devote proportionately more resources to the inspection of those facilities in which conditions present the most serious concerns with respect to resident health, treatment, comfort, safety, and well-being.*

*These conditions include but are not limited to: change in ownership; frequent change in administration in excess of normal turnover rates; complaints about care, safety, or rights; where previous inspections or reinspections have resulted in correction orders related to care, safety, or rights; and, where persons involved in ownership or administration of the facility have been indicted for alleged criminal activity. Any facility that has none of these conditions or any other condition established by the commissioner that poses a risk to resident care, safety, or rights shall be inspected once every two years.*

Sec. 17. Minnesota Statutes 1982, section 145.921, subdivision 1, is amended to read:

Subdivision 1. [PAYMENT.] When a city, county, or group of cities or counties meets the requirements prescribed in section 145.917, the state commissioner of health shall pay the amount of subsidy to the city or county in accordance with applicable rules and regulations from the funds appropriated for the purpose. (THE STATE COMMISSIONER OF HEALTH MAY MAKE AN ADVANCEMENT OF FUNDS ON A QUARTERLY BASIS.) *The commissioner of health shall make payments for community health services to each county in 12 installments per year. The commissioner shall ensure that the pertinent payment of the allotment for each month is made to each county on the first working day after the end of each month of the calendar year, except for the last month of the calendar year. The commissioner shall ensure that each county receives its payment of the allotment for that month no later than the last working day of that month. The payment described in this subdivision for services rendered during June, 1985, shall be made on the first working day of July, 1985.*

Sec. 18. Minnesota Statutes 1982, section 246.57, is amended by adding a subdivision to read:

*Subd. 3. [LIMITED AGREEMENTS.] Notwithstanding the provisions of subdivision 1, the commissioner of public welfare may authorize a state hospital or state nursing home to enter into agreements with other governmental or nonprofit organizations for participation in limited shared service agreements that would be of mutual benefit to the state, the organization involved, and the public.*

*The duration of limited agreements may not exceed three calendar years and the total dollar amount attributable to a limited agreement may not exceed \$100,000. Consultation with the legislative advisory committee is not required for agreements made pursuant to this subdivision. The charges for services must be on an actual cost basis and receipts are dedicated for the operations of the hospital that provides the service, and are appropriated for that purpose.*

Sec. 19. Minnesota Statutes 1982, section 256E.06, subdivision 2, is amended to read:

**Subd. 2. [MINIMUM FUNDING LEVEL; STATE AIDS.] (NO COUNTY SHALL RECEIVE LESS IN STATE AIDS FOR COMMUNITY SOCIAL SERVICES UNDER SUBDIVISION 1 IN CALENDAR YEARS 1982 AND 1983 THAN 106 PERCENT OF THE STATE MONEY IT RECEIVED IN THE IMMEDIATELY PRECEDING CALENDAR YEAR PURSUANT TO SECTION 256E.06. FOR PURPOSES OF 1983, THE STATE MONEY THE COUNTY RECEIVED IN 1982 SHALL BE THE COMMUNITY SOCIAL SERVICE GRANT PLUS THE STATE MONEY IT RECEIVED FOR STATE FISCAL**

YEAR 1982 AS AUTHORIZED BY THE HEALTH, WELFARE, AND CORRECTIONS APPROPRIATIONS ACT FOR THE BIENNIUM ENDING JUNE 30, 1983 FOR THE FOLLOWING ACTIVITIES: COST OF CARE FOR MENTALLY RETARDED, EPILEPTIC OR EMOTIONALLY HANDICAPPED CHILDREN PURSUANT TO SECTION 252.27, SUBDIVISION 1; COMMUNITY MENTAL HEALTH PILOT PROGRAM PURSUANT TO SECTION 245.72 AND COMMUNITY-BASED RESIDENTIAL PROGRAMS FOR MENTALLY ILL PERSONS.)

The term state funds does not include any federal money received by the state or counties for financing these services.

No county shall receive more than 130 percent of the amount received in the immediately preceding year as specified in this subdivision. If the amount allocated to any county pursuant to subdivision 1 is greater than this amount, the excess shall be reallocated to all counties in direct proportion to their initial allocations.

If the amount allocated to any county pursuant to subdivision 1 and the preceding paragraph is less than the minimum funding level of that county, its allocation shall be raised to its minimum share through an equal percentage reduction applied to all other county allocations.

Sec. 20. Minnesota Statutes 1982, section 401.14, is amended by adding a subdivision to read:

*Subd. 3. [INSTALLMENT PAYMENTS.] The commissioner of corrections shall make payments for community corrections services to each county in 12 installments per year. The commissioner shall ensure that the pertinent payment of the allotment for each month is made to each county on the first working day after the end of each month of the calendar year, except for the last month of the calendar year. The commissioner shall ensure that each county receives its payment of the allotment for that month no later than the last working day of that month. The payment described in this subdivision for services rendered during June, 1985, shall be made on the first working day of July, 1985.*

Sec. 21. Minnesota Statutes 1982, section 401.15, subdivision 1, is amended to read:

Subdivision 1. On or before the end of each calendar quarter, participating counties which have received the payments authorized by section 401.14 shall submit to the commissioner certified statements detailing the amounts expended and costs incurred in furnishing the correctional services provided in sections 401.01 to 401.16. Upon receipt of certified statements, the commissioner shall, in the manner provided in sections 401.10 and



401.12, determine the amount each participating county is entitled to receive, making any adjustments necessary to rectify any disparity between the amounts received pursuant to the estimate provided in section 401.14 and the amounts actually expended. If the amount received pursuant to the estimate is greater than the amount actually expended during the quarter, the commissioner may withhold the difference from any subsequent (QUARTERLY) *monthly* payments made pursuant to section 401.14. Upon certification by the commissioner of the amount a participating county is entitled to receive under the provisions of section 401.14 or of this subdivision the commissioner of finance shall thereupon issue a state warrant to the chief fiscal officer of each participating county for the amount due together with a copy of the certificate prepared by the commissioner.

Sec. 22. [REPEALER.]

*Laws 1979, chapter 336, section 5 and Laws 1981, chapter 323, section 4, are repealed.*

Sec. 23. [EFFECTIVE DATE.]

*Section 19 is effective January 1, 1984. Sections 17, 20, and 21 are effective January 1, 1985.*

## ARTICLE 2

Section 1. Minnesota Statutes 1982, section 246.51, subdivision 1, is amended to read:

Subdivision 1. [PROCEDURES.] The commissioner shall make investigation as necessary to determine, and as circumstances require redetermine, what part of the cost of care, if any, the patient is able to pay. If the patient is unable to pay the full cost of care the commissioner shall make a determination as to the ability of the relatives to pay. The patient or relatives or both shall provide the commissioner documents and proofs necessary to determine their ability to pay. Failure to provide the commissioner with sufficient information to determine ability to pay may make the patient or relatives, both, liable for the full per capita cost of care until the time when sufficient information is provided. No parent shall be liable for the cost of care given a patient at a state hospital after the patient has reached the age of 18 years. The commissioner's determination shall be conclusive in any action to enforce payment of the cost of care unless appealed from as provided in section 246.55. (ALL MONEY RECEIVED SHALL BE PAID TO THE STATE TREASURER AND PLACED IN THE GENERAL FUND OF THE STATE AND A SEPARATE ACCOUNT KEPT OF IT.) Responsibility under this section shall not apply to those relatives having gross earnings of less than \$11,000 per year.

**Sec. 2. [246.64] [RECEIPTS FOR COST OF CARE.]**

*All money collected from any source for cost of care in state hospitals is appropriated to the commissioner of public welfare for the operation of the state hospitals, subject to budgetary control by the commissioner of finance. Notwithstanding section 16A.28 or other law relating to the lapse of an appropriation, funds appropriated by this section shall not lapse but shall remain available until expended.*

**Sec. 3.** Minnesota Statutes 1982, section 251.011, subdivision 6, is amended to read:

**Subd. 6. [RULES AND REGULATIONS.]** The commissioner of public welfare shall have the power to make rules and regulations for the operation of the state nursing homes at Ah-Gwah-Ching and Oak Terrace and for the admission of patients thereto, and to fix the charges to be made for care therein. *All money collected from any source for cost of care in state nursing homes is appropriated to the commissioner of public welfare for the operation of the state nursing homes, subject to budgetary control by the commissioner of finance. Notwithstanding section 16A.28 or other law relating to the lapse of an appropriation, funds appropriated by this section shall not lapse but shall remain available until expended.*

**Sec. 4.** Laws 1981, chapter 360, section 10, is amended to read:

**Sec. 10. [RECEIPTS.]**

For the biennium ending June 30, (1983) 1985, all funds, sums of money, or other resources provided or to be received as shown in the biennial budget document or in working papers of the two appropriations committees, including all receipts, collections, legislative allocations, transfers, and other income and receipts properly belonging to and to be used for financing activities, programs, and other projects other than the institutions now or hereafter under the supervision and jurisdiction of the commissioner of public welfare not otherwise specifically designated as income or credits to other state departments or funds by law, shall be accredited to and become a part of the appropriations provided for in section 2, subdivisions 2, 3, and 4. Receipts in excess of those shown in the biennial budget are not available without the approval of the governor, after consultation with the legislative advisory commission.

*All funds to be collected from any source for cost of care in state operated hospitals and nursing homes, as shown in the biennial budget document or in working papers of the house of representatives and senate appropriations committees, now or hereafter under the supervision and jurisdiction of the commissioner*

*of public welfare shall be appropriated to the commissioner for the operation of the state hospitals and nursing homes, subject to budgetary control by the commissioner of finance. Notwithstanding section 16A.28 or other law relating to the lapse of an appropriation, funds appropriated by this subdivision shall not lapse but shall remain available until expended. Receipts in excess of those shown in the biennial budget are not available for institution expenditure and shall decrease the appropriation to the commissioner of public welfare by a like amount.*

*A separate dedicated receipts account for each state hospital shall be created.*

#### Sec. 5. [APPROPRIATIONS TRANSFER.]

*For the fiscal biennium ending June 30, 1985, the commissioner of public welfare by direction of the commissioner of finance may transfer appropriation balances among all department of public welfare institutions.*

### ARTICLE 3

#### MATERNAL AND CHILD HEALTH

Section 1. Minnesota Statutes 1982, section 145.881, is amended to read:

#### 145.881 [MATERNAL AND CHILD HEALTH ADVISORY TASK FORCE.]

Subdivision 1. [COMPOSITION OF TASK FORCE.] The commissioner shall establish and appoint a maternal and child health advisory task force consisting of 15 members who will provide equal representation from:

- (1) professionals with expertise in maternal and child health services;
- (2) representatives of local health boards as defined in section 145.913; and
- (3) consumer representatives interested in the health of mothers and children.

No members shall be employees of the state department of health. Task force members shall be appointed and removed (AND TERMS SHALL EXPIRE) as provided in section 15.059, subdivision 6, *Notwithstanding section 15.059, subdivision 5, the maternal and child health advisory task force shall terminate on June 30, 1985.*

Subd. 2. [DUTIES.] The advisory task force shall meet on a regular basis to perform the following duties:

(a) Review and report on the health care needs of mothers and children throughout the state of Minnesota;

(b) Review and report on the type, frequency and impact of maternal and child health care services provided to mothers and children under existing maternal and child health care programs, including programs administered by the commissioner of health;

(c) Establish, review, and report to the commissioner a list of program guidelines and criteria which the advisory task force considers essential to providing an effective maternal and child health care program to low income *populations and* (,) high risk patients and fulfilling the purposes defined in section 145.88;

(d) Review staff recommendations of the department of health regarding maternal and child health grant awards before the awards are made;

(e) Make recommendations to the commissioner for the use of other federal and state funds available to meet maternal and child health needs;

(f) Make recommendations to the commissioner of health on priorities for funding the following maternal and child health services: (1) prenatal, delivery and postpartum care, (2) comprehensive health care for children, especially from birth through five years of age, (3) adolescent health services, (4) family planning services, (5) preventive dental care, (6) special services for chronically ill and handicapped children and (7) any other services which promote the health of mothers and children; and

(g) Make recommendations to the commissioner of health on (A) *the* process to distribute, award and administer the maternal and child health block grant funds (AFTER JULY 1, 1983 THAT WILL FULFILL THE PURPOSES OF SECTION 145.88).

Sec. 2. Minnesota Statutes 1982, section 145.882, is amended to read:

145.882 [MATERNAL AND CHILD HEALTH BLOCK GRANT DISTRIBUTION.]

(THE MATERNAL AND CHILD HEALTH CARE BLOCK GRANT SHALL BE DISTRIBUTED TO THE SAME RECIPIENTS THAT RECEIVED FUNDS DURING THE PREVIOUS YEAR UNTIL JULY 1, 1983. A REDUCTION IN FEDERAL

**FUNDING SHALL BE DISTRIBUTED TO REFLECT A PROPORTIONAL REDUCTION FOR EACH RECIPIENT.)**

*Until September 30, 1985, the total funding for maternal and child health grants for special projects up to the total of such grants in state fiscal year 1983 shall be allocated so that the same proportion of the funds is distributed within each county as in state fiscal year 1983. A reduction in federal funding shall be distributed to reflect a proportional reduction within each county.*

*The commissioner shall prepare, with the advice of the advisory task force, an annual report to the legislature which details the distribution of maternal and child health block grant funds, including the amounts to be expended for indirect costs, direct services, and special projects. The report shall also identify the statewide needs of low income and high risk populations and the department of health's plans for meeting their needs. The legislature must receive the report no later than January of each year.*

**Sec. 3. [145.883] [DEFINITIONS.]**

*Subdivision 1. [SCOPE.] For purposes of sections 145.881, 145.882, and 3 to 7, the terms defined in this section shall have the meanings given them.*

*Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of health.*

*Subd. 3. [QUALIFIED PROGRAM.] "Qualified program" means a program with professional maternal and child health care staff which is established for the purpose of providing one or more essential services in maternal and child health care to a target population of low income or high risk persons.*

*Subd. 4. [ESSENTIAL SERVICES.] "Essential services" means (a) prenatal, delivery, and post partum care; (b) comprehensive health care for children from birth through five years of age; (c) adolescent health services; (d) family planning services, as defined in section 145.912, subdivision 9; (e) preventive dental care; or (f) special services for chronically ill children and for handicapped children.*

*Subd. 5. [LOW INCOME.] "Low income" means an individual or family with an income determined to be at or below 175 percent of the income official poverty line defined by the office of management and budget and revised annually in accordance with United States Code, title 42, section 9902, as amended through December 31, 1982. With respect to an individual who is a high risk person, "low income" means the income of the high risk person or the person's family is determined to be at or below 200 percent of the income official poverty line*

*defined by the office of management and budget and revised annually in accordance with United States Code, title 42, section 9902, as amended through December 31, 1982. The commissioner shall establish the low income level for eligibility for services to children with handicaps.*

*Subd. 6. [HIGH RISK PERSON.] "High risk person" means a mother or child with a condition which significantly increases the probability of disease, injury, death, or other adverse health-related problem. Determination that a condition results in high risk shall be based on well validated, scientific studies.*

*Subd. 7. [SPECIAL PROJECT.] "Special project" means a qualified program that receives maternal and child health block grant money and is administered by a public or private nonprofit agency other than the Minnesota department of health. A special project may not impose residency requirements, other than state residence, as a condition of receiving essential services.*

*Subd. 8. [MATERNAL AND CHILD HEALTH BLOCK GRANT MONEY.] "Maternal and child health block grant money" means the money received by the state from the federal maternal and child health block grant. The commissioner shall carry forward from a prior state fiscal year sufficient funds for qualified programs approved through the federal fiscal year.*

**Sec. 4. [145.884] [GRANTS TO QUALIFIED PROGRAMS.]**

*The commissioner shall, in the name of the state and within the limit of the federal maternal and child health block grant appropriation, make grants to public and private nonprofit agencies administering qualified programs of maternal and child health care services. Before March 1 of each year, the commissioner shall publish in the State Register the following information, which need not have been promulgated as rules:*

- (a) procedures for grant applications;*
- (b) conditions and procedures for administration of the grants;*
- (c) criteria for eligibility for grants; and*
- (d) such other information as the commissioner finds necessary for the proper administration of the grant program.*

**Sec. 5. [145.885.] [APPLICATION FOR A GRANT.]**

*An application for a grant must be submitted to the commissioner at a time and in a form and manner as the commissioner*

*prescribes. Department of health technical staff shall be available to provide technical assistance in development of grant applications. The application must contain:*

*(a) a complete description of the program and the manner in which the applicant intends to conduct the program;*

*(b) a budget and justification for the amount of grant funds requested;*

*(c) a description of the target population served by the qualified program and estimates of the number of low income or high risk persons the program is expected to serve;*

*(d) the name or names of the person or persons who shall have primary responsibility for the administration and delivery of services of the qualified program; and*

*(e) the reporting and accounting procedures to be followed by the qualified agency to enable the commissioner to evaluate the activities of the qualified program.*

**Sec. 6. [145.886] [GRANT REVIEW PROCESS.]**

*Primary review of all grant applications shall be conducted by the department of health technical staff. All technically completed applications will be forwarded for secondary review to a grants review panel established by the commissioner. A majority of the grants review panel must be professionals with expertise in maternal and child health care. No member of the panel may be an employee of a public or private nonprofit agency receiving or applying for maternal and child health block grant money. The advisory task force shall review the recommendations of the grants review panel for comment to the commissioner. The commissioner shall award grants under sections 5 and 6 only after receiving the comments and recommendation of the grants review panel and the advisory task force on completed grant applications.*

**Sec. 7. [145.887] [LIMITATIONS.]**

*Grants awarded to qualified programs under sections 5 to 7 may not exceed 75 percent of the estimated annual cost of the qualified program for the fiscal year for which the grant is awarded.*

**Sec. 8. [EFFECTIVE DATE.]**

*Sections 1 to 7 are effective the day following final enactment.*

## ARTICLE 4

MEDICAL ASSISTANCE AND GENERAL ASSISTANCE  
MEDICAL CARE

Section 1. Minnesota Statutes 1982, section 245.62, is amended to read:

245.62 [COMMUNITY MENTAL HEALTH (PROGRAM; TAX LEVY) CENTER.]

*Subdivision 1. [ESTABLISHMENT.] Any city, county, town, (OR ANY) combination thereof, or private nonprofit corporation may establish a community mental health (SERVICES PROGRAM AND MAY ESTABLISH CLINICS AND STAFF SAME WITH PERSONS SPECIALLY TRAINED IN PSYCHIATRY AND RELATED FIELDS) center.*

*Subd. 2. [DEFINITION.] A community mental health center is a private nonprofit corporation or public agency approved under the temporary and permanent rules promulgated by the commissioner pursuant to subdivision 4.*

*Subd. 3. [CLINICAL DIRECTOR.] All community mental health center services shall be provided under the clinical direction of a licensed consulting psychologist licensed under sections 148.88 to 148.98; or a physician who is board certified or eligible for board certification in psychiatry, and who is licensed under section 147.02.*

*Subd. 4. [RULES.] The commissioner shall promulgate temporary and permanent rules to establish standards for the designation of an agency as a community mental health center. These standards shall include, but are not limited to:*

*(a) provision of mental health services in the prevention, identification, treatment and aftercare of emotional disorders, chronic and acute mental illness, mental retardation and developmental disabilities, and alcohol and drug abuse and dependency, including the services listed in section 245.61 except detoxification services;*

*(b) establishment of a community mental health center board pursuant to section 245.66; and*

*(c) approval pursuant to section 245.69, subdivision 2.*

Sec. 2. Minnesota Statutes 1982, section 245.66, is amended to read:

245.66 [COMMUNITY MENTAL HEALTH CENTER BOARDS.]



Every city, county, town, combination thereof or nonprofit corporation establishing a community mental health center (UNDER CONTRACT WITH A COUNTY BOARD OR HUMAN SERVICE BOARD SHALL, BEFORE IT MAY COME WITHIN THE PROVISIONS OF SECTIONS 245.61 TO 245.69 AND RECEIVE FUNDS FROM THE COUNTY BOARD OR HUMAN SERVICE BOARD,) shall establish a community mental health center board. The community mental health center (BOARDS) board may include county commissioner representatives from each participating county and shall be representative of (LOCAL HEALTH DEPARTMENTS, MEDICAL SOCIETIES, HOSPITAL BOARDS, LAY ASSOCIATIONS CONCERNED WITH MENTAL HEALTH, MENTAL RETARDATION AND CHEMICAL DEPENDENCY, LABOR, AGRICULTURE, BUSINESS, CIVIC AND PROFESSIONAL GROUPS AND THE GENERAL PUBLIC. MEMBERSHIP MAY INCLUDE A REPRESENTATIVE FROM ANY COUNTY WHICH PURCHASES SUBSTANTIAL SERVICES FROM THE COMMUNITY MENTAL HEALTH BOARD) *the local population, including at least health and human service professions and advocate associations, other fields of employment, and the general public.* Each community mental health center board shall be responsible for the (GOVERNING) *governance and performance* of its center (AND SHALL BE RESPONSIBLE FOR THE PERFORMANCE OF THE CENTER UNDER ANY CONTRACTS ENTERED INTO WITH A COUNTY BOARD OF COMMISSIONERS OR HUMAN SERVICES BOARD. THIS GOVERNING SHALL INCLUDE DETERMINATION OF THE SERVICES TO BE PROVIDED BY THE COMMUNITY MENTAL HEALTH CENTER, ESTABLISHMENT OF THE ANNUAL BUDGET, APPOINTMENT OF THE CENTER DIRECTOR, AND ESTABLISHMENT OF PERSONNEL STANDARDS AND COMPENSATION FOR EMPLOYEES OF THE CENTER).

Sec. 3. [OUTPATIENT CHEMICAL DEPENDENCY TREATMENT PROJECT.]

*Subdivision 1. [PURPOSE.] The commissioner of public welfare shall establish a pilot project for outpatient chemical dependency treatment. The purpose of the pilot project is to demonstrate the cost-effectiveness of outpatient chemical dependency treatment for certain recipients of public assistance programs. Clients admitted to a state hospital for chemical dependency treatment shall have included in their assessment the commissioner of public welfare's criteria for determining the appropriate level of chemical dependency care, whether outpatient, inpatient or short-term. Clients for whom the appropriate level of treatment is outpatient treatment must be referred by the state hospital to an outpatient treatment program for individuals with alcohol and other drug problems licensed by the commissioner or approved by the joint commission on accreditation of hospitals. An exception may be made for clients whose resi-*

dence is more than 45 miles from a licensed or approved outpatient treatment program.

*Subd. 2. [FUNDING LIMITATIONS.] The pilot project shall be limited to 600 clients annually. The cost per client shall not exceed \$15 per hour of treatment up to 70 hours but not to exceed a total cost per client of \$1,000 in a 12 month period. Payment for pilot project clients shall be as provided through the reimbursement mechanism for the general assistance medical care program; the state's share of the payments shall be 90 percent. The commissioner may require outpatient treatment programs to submit to a competitive bid process.*

*Subd. 3. [MONITORING: EVALUATION.] In determining the appropriate level of chemical dependency care, state hospital staff shall use an assessment form provided by the commissioner. At designated intervals these forms shall be forwarded to the commissioner for review and evaluation of the recommendations. State hospitals and all outpatient treatment programs for individuals with alcohol and other drug problems licensed by the commissioner or approved by the joint commission on accreditation of hospitals which participate in the pilot project shall supply information to the commissioner's uniform reporting system. The information required shall include, but not be limited to, the types of clients served, chemical use history, prior treatment, length of stay, cost of treatment, and treatment outcomes.*

*Subd. 4. [STATE HOSPITALS.] All state hospitals with inpatient beds for chemical dependency treatment shall work with the commissioner in developing a plan and implementing a 60 bed reduction in those inpatient beds within the state hospital system prior to July 1, 1984. With the approval of the commissioner, the remaining inpatient chemical dependency treatment program costs may be transferred to state hospital outpatient programs. Nothing in this section shall allow total closure of any inpatient chemical dependency unit in any state hospital prior to July 1, 1985.*

*Subd. 5. [REPORT.] The commissioner shall prepare a report to the legislature by January 1984 on the outpatient chemical dependency treatment pilot project and on the plan to achieve a 60 bed reduction in the state hospital system's inpatient beds for chemical dependency treatment.*

*Subd. 6. [RULES.] The commissioner shall promulgate temporary and permanent rules to establish criteria for determining the appropriate level of chemical dependency care, whether outpatient, inpatient or short-term, for recipients of public assistance seeking treatment for alcohol or other drug dependency and abuse problems as required by section 254A.03, subdivision 3.*

Sec. 4. Minnesota Statutes 1982, section 256.01, subdivision 2, is amended to read:

Subd. 2. [SPECIFIC POWERS.] Subject to the provisions of section 241.021, subdivision 2, the commissioner of public welfare shall:

(1) Administer and supervise all forms of public assistance provided for by state law and other welfare activities or services as may from time to time be vested in the commissioner.

(2) Administer and supervise all child welfare activities; promote the enforcement of laws protecting defective, illegitimate, dependent, neglected and delinquent children; license and supervise child-caring and child-placing agencies and institutions; supervise the care of children in boarding and foster homes or in private institutions; and generally perform all functions relating to the field of child welfare now vested in the state board of control.

(3) Administer and supervise all non-institutional service to handicapped persons, including the blind, the deaf, the tuberculous, the crippled, and otherwise handicapped persons. The authority and power conferred by this subdivision shall include the authority and power to provide and contract for the care and treatment of qualified indigent children in facilities other than those located and available at state hospitals when it is not feasible to provide the service in state hospitals.

(4) Assist and actively cooperate with other departments, agencies and institutions, local, state, and federal, by performing services in conformity with the purposes of Laws 1939, Chapter 431.

(5) Act as the agent of and cooperate with the federal government in matters of mutual concern relative to and in conformity with the provisions of Laws 1939, Chapter 431, including the administration of any federal funds granted to the state to aid in the performance of any functions of the commissioner as specified in Laws 1939, Chapter 431, and including the promulgation of rules making uniformly available medical care benefits to all recipients of public assistance, at such times as the federal government increases its participation in assistance expenditures for medical care to recipients of public assistance, the cost thereof to be borne in the same proportion as are grants of aid to said recipients.

(6) Establish and maintain any administrative units reasonably necessary for the performance of administrative functions common to all divisions of the department.

(7) Administer and supervise any additional welfare activities and services as may, from time to time, hereafter be vested by law in the (STATE) department.

(8) The commissioner is hereby specifically constituted as guardian of both the estate and the person of all the wards of the state of Minnesota and other persons the guardianship of whom has been heretofore vested in the state board of control, whether by operation of law or by an order of court, without any further act or proceeding whatever, except as to persons committed as mentally retarded or epileptic. All of said guardianships, and the funds and property of the same, are hereby transferred to and vested in said commissioner, and said commissioner is hereby constituted a legal entity and is hereby empowered to act as guardian under any laws of this state heretofore conferring such powers upon the state board of control.

(9) Act as coordinating referral and informational center on requests for service for newly arrived immigrants coming to Minnesota.

(10) The specific enumeration of powers and duties as hereinabove set forth shall in no way be construed to be a limitation upon the general transfer of powers herein contained.

(11) Establish county, regional, or state-wide schedules of maximum fees and charges which may be paid by local agencies for medical, dental, surgical, hospital, nursing and nursing home care and medicine and medical supplies under all programs of medical care provided by the state and for congregate living care under the income maintenance programs.

(12) Have the authority to conduct and administer experimental projects to test methods and procedures of administering assistance and services to recipients or potential recipients of public welfare. To carry out such experimental projects, it is further provided that the commissioner of public welfare is authorized to waive the enforcement of existing specific statutory program requirements, regulations, and standards in one or more counties. The order establishing the waiver shall provide alternative methods and procedures of administration, shall not be in conflict with the basic purposes, coverage, or benefits provided by law, and in no event shall the duration of a project exceed two years. It is further provided that no order establishing an experimental project as authorized by the provisions of this section shall become effective until the following conditions have been met:

(a) The proposed comprehensive plan including estimated project costs and the proposed order establishing the waiver shall be filed with the secretary of the senate and chief clerk of the house of representatives at least 60 days prior to its effective date.

(b) The secretary of health, education, and welfare of the United States has agreed, for the same project, to waive state plan requirements relative to state-wide uniformity.

(c) A comprehensive plan, including estimated project costs, shall be approved by the legislative advisory commission and filed with the commissioner of administration.

(13) In accordance with federal requirements establish procedures to be followed by local welfare boards in creating citizen advisory committees, including procedures for selection of committee members.

(14) (PROMULGATE, BY RULE, STANDARDS OF ADMINISTRATION TO BE APPLIED BY LOCAL WELFARE BOARDS ADMINISTERING STATE AND COUNTY FINANCED PROGRAMS OF MEDICAL ASSISTANCE PURSUANT TO CHAPTER 256B, GENERAL RELIEF MEDICAL CARE PURSUANT TO SECTION 256D.02, SUBDIVISION 4 AND MEDICAL, HOSPITAL, AND SURGICAL CARE FOR PERSONS ELIGIBLE FOR GENERAL ASSISTANCE PURSUANT TO CHAPTER 256D, OR FOR INDIGENT PERSONS WHOSE COSTS OF HOSPITALIZATION ARE PAID PURSUANT TO SECTIONS 261.21 TO 261.232. THE RULES SHALL SPECIFY A UNIFORM STANDARD OF PERFORMANCE AND A TOLERATED ERROR RATE, BUT SHALL NOT SPECIFY THE MINIMUM NUMBER OF PERSONNEL TO BE EMPLOYED BY A LOCAL AGENCY IF THE AGENCY OPERATES AT THE SPECIFIED STANDARD OF PERFORMANCE OR AT OR BELOW THE TOLERATED ERROR RATE. THE COMMISSIONER MAY DEDUCT FROM THE EARNED ADMINISTRATIVE REIMBURSEMENTS OF A COUNTY A PENALTY FOR THE COUNTY'S FAILURE TO COMPLY WITH THE STANDARDS OF ADMINISTRATION. THE PENALTY SHALL BE FIXED BY THE COMMISSIONER AS A PERCENTAGE OF THE OVEREXPENDITURE CAUSED BY IMPROPER ADMINISTRATION, BEYOND AN INITIAL TOLERATED AMOUNT OF OVEREXPENDITURE. IN THE EVENT THAT FISCAL SANCTIONS ARE IMPOSED BY THE FEDERAL GOVERNMENT BECAUSE OF IMPROPER ADMINISTRATION OF THE PROGRAMS, ONE HALF OF THE AMOUNT OF THE SANCTIONS ATTRIBUTABLE TO LOCAL AGENCY PERFORMANCE SHALL BE DEDUCTED FROM ADMINISTRATIVE REIMBURSEMENT OTHERWISE DUE THE COUNTY) *Allocate federal fiscal disallowances or sanctions which are based on quality control error rates for the aid to families with dependent children, medical assistance, or food stamp program in the following manner:*

(a) *One-half of the total amount of the disallowance shall be borne by the county boards responsible for administering the programs and shall be shared by each county board in the same*

*proportion as that county's expenditures for the sanctioned program are to the total of all counties' expenditures for that program. Each county shall pay its share of the disallowance to the state of Minnesota. When a county fails to pay the amount due hereunder, the commissioner may deduct the amount from reimbursement otherwise due the county, or the attorney general, upon the request of the commissioner, may institute civil action to recover the amount due.*

*(b) Notwithstanding the provisions of paragraph (a), if the disallowance results from knowing noncompliance by one or more counties with a specific program instruction, and that knowing noncompliance is a matter of official county board record, the commissioner may require payment or recover from the county or counties, in the manner prescribed in paragraph (a), an amount equal to the portion of the total disallowance which resulted from the noncompliance, and may distribute the balance of the disallowance according to paragraph (a).*

Sec. 5. Minnesota Statutes 1982, section 256.82, is amended by adding a subdivision to read:

*Subd. 3. [SETTING FOSTER CARE STANDARD RATES.] The commissioner shall annually establish minimum standard rates for foster care maintenance for all children in foster care, and require county boards to establish difficulty-of-care payments for all children in foster care.*

Sec. 6. Minnesota Statutes 1982, section 256.966, subdivision 1, is amended to read:

**Subdivision 1. [IN GENERAL.]** For the biennium ending June 30, (1983) 1985, the annual increase in the cost per service unit paid to any vendor under medical assistance and general assistance medical care shall not exceed eight percent. (THE PERIOD FOR MEASURING GROWTH SHALL BE THE STATE FISCAL YEAR.)

Sec. 7. Minnesota Statutes 1982, section 256.967, is amended to read:

**256.967 [MEDICAL CARE PAYMENTS; LIMITATIONS ON FEES.]**

*For the fiscal biennium ending June 30, 1985, all payments for vendors of medical care under general assistance medical care shall be based upon this standard: the 50th percentile of usual and customary fees based upon medical assistance billings during calendar year 1978. All payments for vendors of medical care under medical assistance shall be limited to the 50th percentile of usual and customary fees based upon billings during calendar year 1979 for physician services, dental care, vision*

care, podiatric services, chiropractic care, physical therapy, occupational therapy, speech pathologists, audiologists, mental health centers, psychologists, public health clinics, and independent laboratory and x-ray services.

Sec. 8. Minnesota Statutes 1982, section 256.968, is amended to read:

**256.968 [LIMITATION ON INPATIENT CHEMICAL DEPENDENCY TREATMENT.]**

The commissioner of public welfare shall limit medical assistance and general assistance medical care reimbursement for treatment of alcoholism, chemical dependency or drug addiction which is rendered in a licensed hospital or certified nursing home to 10 days unless need for extended care is certified by the attending physician. *In no case shall reimbursement for inpatient treatment extend beyond 20 days in a 12-month period unless there is prior authorization from the commissioner. The commissioner shall seek the advice of the professional services advisory committee concerning the need for extended inpatient treatment.*

**Sec. 9. [256.969] [INPATIENT HOSPITALS.]**

*Subdivision 1. [ANNUAL COST INDEX.] The legislature directs the commissioner of public welfare to develop a prospective payment system for inpatient hospital service under the medical assistance and general assistance medical care programs. Rates paid to licensed hospitals for rate years beginning during the biennium ending June 30, 1985, shall not exceed an annual hospital cost index for the final rate allowed to the hospital for the preceding year. The annual hospital cost index shall be obtained from an independent source representing a statewide average of inflation estimates determined for expense categories to include salaries, employee benefits, medical fees, raw food, medical supplies, pharmaceuticals, utilities, repairs and maintenance, insurance other than malpractice insurance, and other applicable expenses as determined by the commissioner. The index shall reflect the regional differences within the state and include a one percent increase to reflect changes in technology. The annual hospital cost index shall be published 30 days before the start of each calendar quarter and shall be applicable to all hospitals whose fiscal years start on or during the calendar quarter.*

*Subd. 2. [RATES FOR INPATIENT HOSPITALS.] Rates paid to inpatient hospitals shall be based on a rate per admission.*

*Subd. 3. [SPECIAL CONSIDERATIONS.] In determining the rate, the commissioner of public welfare will take into consideration whether the following circumstances exist:*

- (a) *minimal medical assistance and general assistance medical care utilization;*
- (b) *unusual length of stay experience; and*
- (c) *disproportionate numbers of low income patients served.*

*Subd. 4. [APPEALS BOARD.] An appeals board shall be established for purposes of hearing reports for changes in the rate per admission. The appeals board shall consist of two public representatives, two representatives of the hospital industry, and one representative of the business or consumer community. The appeals board shall advise the commissioner on adjustments to hospital rates under this section.*

*Subd. 5. [APPEAL RIGHTS.] Nothing in this section supersedes the contested case provisions of chapter 14, the administrative procedure act.*

*Subd. 6. [RULES.] The commissioner of public welfare shall promulgate temporary and permanent rules to implement a system of prospective payment for inpatient hospital services pursuant to chapter 14, the Administrative Procedure Act.*

Sec. 10. Minnesota Statutes 1982, section 256B.02, subdivision 8, is amended to read:

**Subd. 8. [MEDICAL ASSISTANCE; MEDICAL CARE.]** "Medical assistance" or "medical care" means payment of part or all of the cost of the following care and services for eligible individuals whose income and resources are insufficient to meet all of such cost:

(1) Inpatient hospital services. *A second medical opinion is required prior to reimbursement for elective surgeries. The commissioner shall publish a proposed list of elective surgeries that require a second medical opinion prior to reimbursement in the State Register by July 1, 1983, and the public shall be given an opportunity to review and comment on the proposed list prior to implementation. The list is not subject to the requirements of chapter 14, the Administrative Procedure Act. The final list shall be published in the State Register and implemented by August 15, 1983.*

(2) Skilled nursing home services and services of intermediate care facilities.

(3) Physicians' services.

(4) Outpatient hospital or non-profit community health clinic services or physician-directed clinic services. *The physician-directed clinic staff shall include at least two physicians,*



one of whom is on the premises whenever the clinic is open, and all services shall be provided under the direct supervision of the physician who is on the premises.

Hospital outpatient departments shall be subject to the same limitations and reimbursements as other enrolled vendors for all services, except initial triage, emergency services and services not provided or immediately available in clinics, physicians' offices, or by other enrolled providers. "Emergency services" means those medical services required for the immediate diagnosis and treatment of medical conditions which, if not immediately diagnosed and treated, could lead to serious physical or mental disability or death or are necessary to alleviate severe pain. Neither the hospital, its employees, or any physician or dentist, shall be liable in any action arising out of a determination not to render emergency services or care if reasonable care is exercised in determining the condition of the person, or in determining the appropriateness of the facilities, the qualifications, and availability of personnel to render these services consistent with this section.

(5) Community mental health center services, as defined in rules adopted by the commissioner pursuant to section 256B.04, subdivision 2 and provided by a community mental health center as defined in section 245.62, subdivision 2.

((5)) (6) Home health care services.

((6)) (7) Private duty nursing services.

((7)) (8) Physical therapy and related services.

((8)) (9) Dental services, excluding cast metal restorations.

((9)) (10) Laboratory and x-ray services.

((10)) (11) The following if prescribed by a licensed practitioner: drugs, eyeglasses, dentures, and prosthetic devices. The commissioner shall designate a formulary committee which shall advise the commissioner on the names of drugs for which payment shall be made, recommend a system for reimbursing providers on a set fee or charge basis rather than the present system, and develop methods encouraging use of generic drugs when they are less expensive and equally effective as trademark drugs. The commissioner shall appoint the formulary committee members no later than 30 days following July 1, 1981. The formulary committee shall consist of nine members, four of whom shall be physicians who are not employed by the department of public welfare, and a majority of whose practice is for persons paying privately or through health insurance, three of whom shall be pharmacists who are not employed by the department of public welfare, and a majority of whose practice is for persons paying

privately or through health insurance, a consumer representative, and a nursing home representative. Committee members shall serve two year terms and shall serve without compensation. The commissioner may establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the administrative procedure act, but the formulary committee shall review and comment on the formulary contents. *Prior authorization may be required by the commissioner, with the consent of the drug formulary committee, before certain formulary drugs are eligible for payment.* The formulary shall not include: drugs or products for which there is no federal funding; over the counter drugs, except for antacids, acetaminophen, family planning products, aspirin, insulin, prenatal vitamins, and vitamins for children under the age of seven or any other over the counter drug identified by the commissioner, in consultation with the appropriate professional consultants under contract with or employed by the state agency, as necessary, appropriate and cost effective for the treatment of certain specified chronic diseases, conditions or disorders and such determination shall not be subject to the requirements of chapter 14, the Administrative Procedure Act; nutritional products, except for those products needed for treatment of phenylketonuria, hyperlysinemia, maple syrup urine disease, a combined allergy to human milk, cow milk, and soy formula, or any other childhood or adult diseases, conditions, or disorders identified by the commissioner as requiring a similarly necessary nutritional product; anorectics; and drugs for which medical value has not been established. Separate payment shall not be made for nutritional products for residents of long term care facilities; payment for dietary requirements is a component of the per diem rate paid to these facilities. Payment to drug vendors shall not be modified before the formulary is established except that the commissioner shall not permit payment for any drugs which may not by law be included in the formulary and his determination shall not be subject to chapter 14, the Administrative Procedure Act. The commissioner (MAY PROMULGATE) shall publish conditions for prohibiting payment for specific drugs after considering the formulary committee's recommendations.

The basis for determining the amount of payment shall be the actual acquisition costs of the drugs plus a fixed dispensing fee established by the commissioner. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. Establishment of this fee shall not be subject to the requirements of the administrative procedure act. Whenever a generically equivalent product is available, payment shall be on the basis of the actual acquisition cost of the generic drug, unless the prescriber specifically indicates "dispense as written" on the prescription as required by section 151.21, subdivision 2.

Notwithstanding the above provisions, implementation of any charge in the fixed dispensing fee which has not been subject to the administrative procedure act shall be limited to not more

than 180 days, unless, during that time, the commissioner shall have initiated rulemaking through the administrative procedure act.

((11)) (12) Diagnostic, screening, and preventive services.

((12)) (13) Health care pre-payment plan premiums and insurance premiums if paid directly to a vendor and supplementary medical insurance benefits under Title XVIII of the Social Security Act.

((13)) (14) Abortion services, but only if one of the following conditions is met:

(a) The abortion is a medical necessity. "Medical necessity" means (1) the signed written statement of two physicians indicating the abortion is medically necessary to prevent the death of the mother, and (2) the patient has given her consent to the abortion in writing unless the patient is physically or legally incapable of providing informed consent to the procedure, in which case consent will be given as otherwise provided by law;

(b) The pregnancy is the result of a criminal sexual conduct as defined in section 609.342, clauses (c), (d), (e) (i), and (f), and the incident is reported within 48 hours after the incident occurs to a valid law enforcement agency for investigation, unless the victim is physically unable to report the criminal sexual conduct, in which case the report shall be made within 48 hours after the victim becomes physically able to report the criminal sexual conduct; or

(c) The pregnancy is the result of incest, but only if the incident and relative are reported to a valid law enforcement agency for investigation prior to the abortion.

((14)) (15) Transportation costs incurred solely for obtaining emergency medical care or transportation costs incurred by non-ambulatory persons in obtaining emergency or non-emergency medical care when paid directly to an ambulance company, common carrier, or other recognized providers of transportation services. For the purpose of this clause, a person who is incapable of transport by taxicab or bus shall be considered to be non-ambulatory.

((15)) (16) To the extent authorized by rule of the state agency, costs of bus or taxicab transportation incurred by any ambulatory eligible person for obtaining non-emergency medical care.

((16)) (17) Any other medical or remedial care licensed and recognized under state law unless otherwise prohibited by law.

Sec. 11. Minnesota Statutes 1982, section 256B.04, subdivision 14, is amended to read:

Subd. 14. [COMPETITIVE BIDDING.] The commissioner shall utilize volume purchase through competitive bidding under the provisions of chapter 16, to provide the following items:

(1) Eyeglasses;

(2) *Oxygen. The commissioner shall provide for oxygen needed in an emergency situation on a short term basis, until the vendor can obtain the necessary supply from the contract dealer;*

(3) Hearing aids and supplies; and

((3)) (4) Durable medical equipment, including but not limited to:

(a) hospital beds;

(b) commodes;

(c) glide-about chairs;

(d) patient lift apparatus;

(e) wheelchairs and accessories;

(f) oxygen administration equipment;

(g) respiratory therapy equipment; and

(h) electronic diagnostic, therapeutic and life support systems.

Sec. 12. Minnesota Statutes 1982, section 256B.04, is amended by adding a subdivision to read:

Subd. 15. [UTILIZATION REVIEW.] *Establish on a statewide basis a program to safeguard against unnecessary or inappropriate use of medical assistance services, against excess payments, against unnecessary or inappropriate hospital admissions or lengths of stay, and against underutilization of services in pre-paid health plans, long term care facilities or any health care delivery system subject to fixed rate reimbursement. In implementing the program, the state agency shall utilize both pre-payment and post-payment review systems to determine if utilization is reasonable and necessary. The determination of whether services are reasonable and necessary shall be made by the commissioner in consultation with a professional services advisory group appointed by the commissioner. Determinations shall be*

*binding on all parties, and shall not be subject to provisions of sections 14.57 to 14.62 or section 256.045.*

Sec. 13. Minnesota Statutes 1982, section 256B.041, subdivision 2, is amended to read:

Subd. 2. [ACCOUNT.] An account is established in the state treasury from which medical assistance payments to vendors shall be made. Into (SUCH) *this* account there shall be deposited federal funds, state funds, *county funds*, and other moneys which are available and which may be paid to the state agency for medical assistance payments and reimbursements from counties or others for their share of such payments.

Sec. 14. Minnesota Statutes 1982, section 256B.041, subdivision 5, is amended to read:

Subd. 5. [PAYMENT BY COUNTY TO STATE TREASURER.] If required by federal law or rules promulgated thereunder, or by authorized regulation of the state agency, each county shall pay to the state treasurer the portion of medical assistance paid by the state for which it is responsible. The county's share of cost shall be ten percent of that portion not met by federal funds.

*The county shall advance its portion of medical assistance costs, based upon estimates submitted by the state agency to the county agency, stating the estimated expenditures for the succeeding month. Upon the direction of the county agency, payment shall be made monthly by the county to the state for the estimated expenditures for each month. Adjustment of any overestimate or underestimate based on actual expenditures shall be made by the state agency by adjusting the estimate for any succeeding month.*

Sec. 15. Minnesota Statutes 1982, section 256B.06, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY FOR MEDICAL ASSISTANCE.] Medical assistance may be paid for any person:

(1) Who is a child eligible for or receiving adoption assistance payments under Title IV-E of the Social Security Act, (42 U.S.C. SECTIONS 670 TO 676) *United States Code, title 42, sections 670 to 676; or*

(2) Who is a child eligible for or receiving foster care maintenance payments under Title IV-E of the Social Security Act, (42 U.S.C. SECTIONS 670 TO 676) *United States Code, title 42, sections 670 to 676; or*

(3) Who is eligible for or receiving public assistance, or a woman who is pregnant, as medically verified, and who would be eligible for assistance under the aid to families with dependent children program if the child had been born and living with the woman; or

(4) Who is eligible for or receiving supplemental security income for the aged, blind and disabled; or

(5) Who except for the amount of income or resources would qualify for supplemental security income for the aged, blind and disabled, or aid to families with dependent children and is in need of medical assistance; or

(6) Who is under 21 years of age and in need of medical care that neither he nor his relatives responsible under sections 256B.-01 to 256B.26 are financially able to provide; or

(7) Who is residing in a hospital for treatment of mental disease or tuberculosis and is 65 years of age or older and without means sufficient to pay the per capita hospital charge; and

(8) Who resides in Minnesota, or, if absent from the state, is deemed to be a resident of Minnesota in accordance with the regulations of the state agency; and

(9) Who alone, or together with his spouse, does not own real property other than the homestead. For the purposes of this section, "homestead" means the house owned and occupied by the applicant as his dwelling place, together with the land upon which it is situated and an area no greater than two contiguous lots in a platted or laid out city or town or 80 contiguous acres in unplatted land. Occupancy or exemption shall be determined as provided in chapter 510 and applicable law, including continuing exemption by filing notice under section 510.07. Real estate not used as a home may not be retained unless it produces net income applicable to the family's needs or the family is making a continuing effort to sell it at a fair and reasonable price or unless sale of the real estate would net an insignificant amount of income applicable to the family's needs, or unless the commissioner determines that sale of the real estate would cause undue hardship; and

(10) Who individually does not own more than (\$2,000) \$3,000 in cash or liquid assets, or if a member of a household with two family members (husband and wife, or parent and child), does not own more than (\$4,000) \$6,000 in cash or liquid assets, plus \$200 for each additional legal dependent. *Cash and liquid assets may include a prepaid funeral contract and insurance policies with cash surrender value.* The value of the following shall not be included:

(a) the homestead, and (b) one motor vehicle licensed pursuant to chapter 168 and defined as: (1) passenger automobile, (2) station wagon, (3) motorcycle, (4) motorized bicycle or (5) truck of the weight found in categories A to E, of section 168.013, subdivision 1e; and

(11) Who has or anticipates receiving an annual income not in excess of \$2,600 for a single person, or \$3,250 for two family members (husband and wife, parent and child, or two siblings), plus \$625 for each additional legal dependent, or who has income in excess of these maxima and in the month of application, or during the three months prior to the month of application, incurs expenses for medical care that total more than one-half of the annual excess income in accordance with the regulations of the state agency. In computing income to determine eligibility of persons who are not residents of long term care facilities, the commissioner shall disregard increases in income of social security or supplementary security income recipients due solely to increases required by sections 215(i) and 1617 of the social security act, and shall disregard income of disabled persons that is also disregarded in determining eligibility for supplemental aid under section 256D.37, subdivision 1, unless prohibited by federal law or regulation. If prohibited, the commissioner shall first seek a waiver. In excess income cases, eligibility shall be limited to a period of six months beginning with the first of the month in which these medical obligations are first incurred; and

(12) Who has continuing monthly expenses for medical care that are more than the amount of his excess income, computed on a monthly basis, in which case eligibility may be established before the total income obligation referred to in the preceding paragraph is incurred, and medical assistance payments may be made to cover the monthly unmet medical need. In licensed nursing home and state hospital cases, income over and above that required for justified needs, determined pursuant to a schedule of contributions established by the commissioner of public welfare, is to be applied to the cost of institutional care. The commissioner of public welfare may establish a schedule of contributions to be made by the spouse of a nursing home resident to the cost of care and shall seek a waiver from federal regulations which establish the amount required to be contributed by either spouse when one spouse is a nursing home resident; and

(13) Who has applied or agrees to apply all proceeds received or receivable by him or his spouse from automobile accident coverage and private health care coverage to the costs of medical care for himself, his spouse, and children. The state agency may require from any applicant or recipient of medical assistance the assignment of any rights accruing under private health care coverage. Any rights or amounts so assigned shall be applied against the cost of medical care paid for under this chapter. Any assignment shall not be effective as to benefits paid or provided under automobile accident coverage and private health

care coverage prior to receipt of the assignment by the person or organization providing the benefits.

Sec. 16. Minnesota Statutes 1982, section 256B.061, is amended to read:

256B.061 [ELIGIBILITY.]

If any individual has been determined to be eligible for medical assistance, it will be made available to him for care and services included under the plan and furnished in or after the third month before the month in which he made application for such assistance, if such individual was, or upon application would have been, eligible for medical assistance at the time the care and services were furnished. *The commissioner may limit, restrict, or suspend the eligibility of an individual for up to one year upon that individual's conviction of a criminal offense related to his application for or receipt of medical assistance benefits.*

Sec. 17. Minnesota Statutes 1982, section 256B.064, subdivision 1a, is amended to read:

Subd. 1a. [GROUNDS FOR MONETARY RECOVERY AND SANCTIONS AGAINST VENDORS.] The commissioner may seek monetary recovery and impose sanctions against vendors of medical care for any of the following: fraud, theft, or abuse in connection with the provision of medical care to recipients of public assistance; a pattern of presentment of false or duplicate claims or claims for services not medically necessary; a pattern of making false statements of material facts for the purpose of obtaining greater compensation than that to which the vendor is legally entitled; suspension or termination as a Medicare vendor; and refusal to grant the state agency access during regular business hours to examine all records necessary to disclose the extent of services provided to program recipients. No sanction may be imposed or monetary recovery obtained against any vendor of nursing home or convalescent care for providing services not medically necessary when the services provided were ordered by a licensed health professional not an employee of the vendor. The determination of (ABUSE OR) services not medically necessary shall be made by the commissioner in consultation with a (REVIEW ORGANIZATION AS DEFINED IN SECTION 145.61 OR OTHER) provider advisory (COMMITTEES AS) *committee* appointed by the commissioner on the recommendation of appropriate professional organizations.

Sec. 18. Minnesota Statutes 1982, section 256B.064, subdivision 2, is amended to read:

Subd. 2. [PROCEDURES FOR MONETARY RECOVERY AND SANCTIONS.] The commissioner shall determine mone-



tary amounts to be recovered and the sanction to be imposed upon a vendor of medical care for conduct described by subdivision 1a. Neither a monetary recovery nor a sanction will be sought by the commissioner without prior notice and an opportunity for a hearing, pursuant to (CHAPTER 14) *section 256.045*, on the commissioner's proposed action, provided that the commissioner may suspend or reduce payment to a vendor of medical care, except a nursing home or convalescent care facility, prior to the hearing if in the commissioner's opinion that action is necessary to protect the public welfare and the interests of the program.

Sec. 19. Minnesota Statutes 1982, section 256B.07, is amended to read:

**256B.07 [EXCEPTIONS IN DETERMINING RESOURCES.]**

A local agency may, within the scope of regulations set by the commissioner of public welfare, waive the requirement of liquidation of excess assets when the liquidation would cause undue hardship. Household goods and furniture in use in the home, wearing apparel, (INSURANCE POLICIES WITH CASH SURRENDER VALUE NOT IN EXCESS OF \$1,500 PER INSURED PERSON,) personal property used as a regular abode by the applicant or recipient, (A PREPAID FUNERAL CONTRACT NOT IN EXCESS OF \$750 PER PERSON PLUS ACCRUED INTEREST OF NOT MORE THAN \$200,) and a lot in a burial plot shall not be considered as resources available to meet medical needs.

Sec. 20. Minnesota Statutes 1982, section 256B.14, subdivision 2, is amended to read:

Subd. 2. [ACTIONS TO OBTAIN PAYMENT.] The state agency shall promulgate rules to determine the ability of responsible relatives to contribute partial or complete repayment of medical assistance furnished to recipients for whom they are responsible. *In determining the resource contribution of a spouse at the time of the first medical assistance application, all medical assistance exclusions shall be allowed, and a resource limit of \$10,000 for nonexcluded resources shall be implemented. Above these limits, a contribution of one-third of the excess resources shall be required.* These rules shall not require repayment when payment would cause undue hardship to the responsible relative or his or her immediate family. The county agency shall give the responsible relative notice of the amount of the repayment. If the state agency or county agency finds that notice of the payment obligation was given to the responsible relative, but that the relative failed or refused to pay, a cause of action exists against the responsible relative for that portion of medical assistance granted after notice was given to the responsible relative, which the relative was determined to be able to pay.

The action may be brought by the state agency or the county agency in the county where assistance was granted, for the assistance, together with the costs of disbursements incurred due to the action.

In addition to granting the county or state agency a money judgment, the court may, upon a motion or order to show cause, order continuing contributions by a responsible relative found able to repay the county or state agency. The order shall be effective only for the period of time during which the recipient receives medical assistance from the county or state agency.

Sec. 21. Minnesota Statutes 1982, section 256B.17, is amended by adding a subdivision to read:

*Subd. 5. [EXCEPTION FOR ASSET TRANSFERS.] Notwithstanding the provisions of subdivisions 1 through 4, an institutionalized spouse who applies for medical assistance on or after July 1, 1983, may transfer liquid assets to his or her noninstitutionalized spouse without loss of eligibility if all of the following conditions apply:*

*(a) The noninstitutionalized spouse is not applying for or receiving assistance;*

*(b) The noninstitutionalized spouse has less than \$10,000 in liquid assets, including assets singly owned and 50 percent of assets owned jointly with the institutionalized spouse;*

*(c) The amount transferred, together with the noninstitutionalized spouse's own assets, totals no more than \$10,000 in liquid assets; and*

*(d) The transfer may be effected only once, at the time of initial medical assistance application.*

Sec. 22. Minnesota Statutes 1982, section 256B.27, subdivision 3, is amended to read:

**Subd. 3. [COMMISSIONER'S ACCESS TO MEDICAL RECORDS.]** The commissioner of public welfare, with the written consent of the recipient, *on file with the county welfare office*, shall be allowed access to all personal medical records of medical assistance recipients solely for the purposes of investigating whether or not: (a) a vendor of medical care has submitted a claim for reimbursement, a cost report or a rate application which the vendor knows to be false in whole or in part; or (b) the medical care was medically necessary. The vendor of medical care shall receive notification from the commissioner at least 24 hours before the commissioner gains access to such records. The determination of (ABUSE OR) provision of services not medically necessary shall be made by the commissioner in consultation with (A REVIEW ORGANIZATION AS DEFINED IN SECTION 145.61 OR OTHER) *an*

advisory (COMMITTEES) *committee* of vendors as appointed by the commissioner on the recommendation of appropriate professional organizations. Notwithstanding any other law to the contrary, a vendor of medical care (SHALL NOT BE) *is not* subject to any civil or criminal liability for providing access to medical records to the commissioner of public welfare pursuant to this section.

Sec. 23. Minnesota Statutes 1982, section 256B.27, subdivision 4, is amended to read:

Subd. 4. [AUTHORIZATION OF COMMISSIONER TO EXAMINE RECORDS.] (NO) A person (SHALL) *determined to be eligible for medical assistance (UNLESS HE HAS) shall be deemed to have* authorized the commissioner of public welfare in writing to examine all personal medical records developed while receiving medical assistance for the purpose of investigating whether or not a vendor has submitted a claim for reimbursement, a cost report or a rate application which the vendor knows to be false in whole or in part, or in order to determine whether or not the medical care provided was medically necessary. (A VENDOR OF MEDICAL CARE SHALL REQUIRE PRESENTATION OF THIS WRITTEN AUTHORIZATION BEFORE THE STATE AGENCY CAN OBTAIN ACCESS TO THE RECORDS UNLESS THE VENDOR ALREADY HAS RECEIVED WRITTEN AUTHORIZATION.)

Sec. 24. Minnesota Statutes 1982, section 256D.03, subdivision 4, is amended to read:

Subd. 4. [GENERAL ASSISTANCE MEDICAL CARE.] (a) Notwithstanding the provisions of sections 256D.01 to 256D.21 and 261.23, or any other law to the contrary, for the biennium ending (JUNE 30, 1983) *June 30, 1985*, state aid shall be paid to local agencies or counties for 90 percent of general assistance medical care paid by the local agency or county on behalf of persons eligible for general assistance or persons meeting the income and resource criteria established in the program for aid to families with dependent children. Nothing in this provision shall be construed to modify the spenddown required in appropriate cases for general assistance medical care. Reimbursement for medical care provided under sections 256D.01 to 256D.21 or 261.23 shall be limited to the following categories of service only: inpatient hospital care (,); outpatient hospital care (,); prescription drugs, physician's services, medical transportation, and dental care. In addition, payments of state aid shall be made for day treatment services provided by a mental health center established under sections 245.61 to 245.69, subdivision 1, and funded through chapter 256E and for prescribed medications for persons who have been diagnosed as mentally ill as necessary to prevent more restrictive institutionalization.

(b) At the option of the county board and with the approval of the commissioner of public welfare, reimbursement for inpatient hospital care, outpatient hospital care, and prescription drugs may be limited to designated medical care providers.

(c) The commissioner of public welfare may reduce payments provided under sections 256D.01 to 256D.21 and 261.23 in order to remain within the amount appropriated for general assistance medical care, within the following restrictions. Reductions below the cost per service unit allowable under section 256.966, shall be permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 45 percent; payments for all other inpatient hospital care may be reduced no more than 35 percent. Reductions below the payments allowable under section 256.967 for the remaining general assistance medical care services allowable under this provision may be reduced no more than 25 percent.

(d) If the commissioner or county refuses to pay all or part of the charge for a health service, they shall not be liable for the unpaid portion of the charge. Any county may, from its own resources, provide medical payments for which state payments are not made.

Sec. 25. Minnesota Statutes 1982, section 256D.03, is amended by adding a subdivision to read:

*Subd. 5. [CERTAIN LOCAL AGENCIES TO PAY STATE FOR COUNTY SHARE.] The local agencies that contract with the commissioner of public welfare for state administration of general assistance medical care payments shall make payment to the state for the county share of those payments in the manner described for medical assistance advances in section 256B.041, subdivision 5.*

Sec. 26. [EFFECTIVE DATE.]

*Sections 1, 2, 4, 8, 9, 10, 12, 16, 17, 18, 22, and 23 are effective the day following final enactment.*

*Section 20 is effective for new applications for medical assistance taken on or after July 1, 1983.*

*Sections 13, 14 and 25 are effective January 1, 1984.*

## ARTICLE 5

### JOBS PROGRAMS

Section 1. [268A.01] [PURPOSE.]

The prolonged recession has caused hardship for thousands of people in the state and has undermined the strength of Minnesota's economy. To address the social consequences of long-term unemployment and resulting poverty, this act seeks to create meaningful employment opportunities which provide workers income sufficient to meet basic needs, and to assure basic necessities to people who cannot work. To serve these purposes this act provides:

(a) For a small business job creation incentive program to provide training; create jobs, and facilitate economic development in Minnesota by providing job creation incentives to small business employers in the private sector;

(b) For a public service jobs program to provide meaningful employment and a liveable wage to workers in the event that the private sector jobs program does not create enough jobs to meet the needs of all qualified workers, and to provide a means for persons who would otherwise be receiving general assistance grants to earn more than these grants would provide; and

(c) For a program of grants and allowances to provide for the basic needs of persons who are not able to find work through any means, including the programs created by this act.

## Sec. 2. [268A.02] [DEFINITIONS.]

Subdivision 1. [SCOPE.] Each term defined in this section has the meaning given it whenever used in this section or in article 1 or 2, unless the context clearly indicates otherwise.

Subd. 2. [BUSINESS REVIEW COMMITTEE.] "Business review committee" means a group of seven persons appointed by the private industry council for each service delivery area under the Job Training Partnership Act, Statutes at Large volume 92, page 1322. The committee shall be composed of: four representatives of the business community; one representative of a government or nonprofit job training or placement agency; one representative of a labor organization certified under state or federal law; and one representative of community based nonprofit organizations representing economically disadvantaged people. The program administrator may designate a business review committee to serve until the private industry council appoints a business review committee.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of economic security.

Subd. 4. [DEPARTMENT.] "Department" means the department of economic security.

**Subd. 5. [ELIGIBLE NONPROFIT AGENCY.]** "Eligible nonprofit agency" means an organization exempt from taxation under the Internal Revenue Code of 1954, section 501(c)(3), as amended through December 31, 1982.

**Subd. 6. [ELIGIBLE SMALL BUSINESS.]** "Eligible small business" means a business with 500 or fewer full-time employees, whose primary place of business is in Minnesota.

**Subd. 7. [ELIGIBLE JOB APPLICANT.]** "Eligible job applicant" means a person who is a member of a household in which every person other than a child of the applicant (1) is unemployed; and (2) is not receiving unemployment compensation or workers' compensation. However, a person who is employed under the public service jobs program created under this act shall still be eligible to be employed for the maximum time permitted under the small business jobs program.

**Subd. 8. [GRANTS ADMINISTRATOR.]** "Grants administrator" means the commissioner of economic security.

**Subd. 9. [LOCAL AGENCY.]** "Local agency" has the meaning assigned to it in section 256D.02, subdivision 12.

**Subd. 10. [PROGRAM ADMINISTRATOR.]** "Program administrator" means an entity designated by the commissioner of economic security. The commissioner may designate (a) the entity in a service delivery area, as determined by the governor, which is responsible for the Job Training Partnership Act; or (b) a job training or placement agency with proven effectiveness. The commissioner may designate more than one program administrator in a service delivery area.

**Subd. 11. [JOB TRAINING PARTNERSHIP ACT.]** "Job Training Partnership Act" means the Federal Job Training Partnership Act of 1982, Statutes at Large, volume 92, page 1322.

**Subd. 12. [SERVICE DELIVERY AREA.]** "Service delivery area" means an area designated as a service delivery area under the Job Training Partnership Act.

### **Sec. 3. [268A.03] [ALLOCATION OF FUNDS.]**

(a) Eighty percent of the funds available for allocation to program administrators for the small business job creation incentives program and all of the funds available for allocation to program administrators under the public service jobs program shall be allocated among service delivery areas as follows: each service delivery area shall be eligible to receive that proportion of the funds available which equals the number of unemployed persons in the service delivery area divided by the total

number of unemployed persons in the state for the 12-month period ending the most recent March 31.

(b) Twenty percent of the funds available for allocation to program administrators under the small business job creation incentives program shall be allocated at the discretion of the grants administrator to program administrators:

(1) who will maximize the use of the funds through coordination with other programs and state, local, and federal agencies, through the use of matching funds or through the involvement of low-income constituent groups;

(2) who have demonstrated need beyond the allocation available under clause (1); or

(3) who have demonstrated outstanding performance in job creation.

(c) The grants administrator shall not disburse funds to a program administrator until the program administrator has submitted an application to the grants administrator documenting that the funds will be used in the manner required by this act. The grants administrator shall approve or disapprove all applications based on the criteria established in this act.

#### Sec. 4. [268A.04] [ALLOCATION WITHIN SERVICE DELIVERY AREA.]

*Subdivision 1. [SMALL BUSINESS ELIGIBILITY.]* Allocation of funds available under the small business job creation incentives program among eligible small businesses within a service delivery area shall be determined by the business review committee in each service delivery area. The business review committee may delegate duties under this section to a program administrator under policy guidelines established by the committee. Funds shall be disbursed only pursuant to a written contract between the program administrator and the business. This agreement shall contain assurances that:

(a) Funds received by a business shall be used only as permitted under this act;

(b) The business has submitted a financial plan to the review committee demonstrating that, with the funds provided under this section, the business is likely to succeed and continue to employ persons hired under the job creation incentives program;

(c) The business will use funds exclusively for wages and benefits for persons from the pool of applicants referred by the program administrator;

(d) *The business will pay persons employed with funds provided under this section at the usual and customary wage, and that the business will provide employees hired with these funds the same fringe benefits and other terms and conditions of employment as other employees of the business who do comparable work;*

(e) *The incentive funds are necessary to allow the business to begin, or to employ additional people;*

(f) *The business will cooperate with all relevant groups in collecting data to assess the results of the job creation incentives program;*

(g) *The business has submitted a plan to the administrator describing the duties and proposed compensation of each employee proposed to be hired under the job creation incentives program;*

(h) *The business will not terminate, lay off, or reduce the working hours of an employee for the purpose of hiring an individual with funds available under this act. Also, the business shall not hire an individual with funds available under this act if any other person is on layoff from the same or a substantially equivalent job; and*

(i) *The business will not use funds in a manner that violates an applicable collective bargaining agreement.*

Subd. 2. [PRIORITIES.] *In selecting businesses which are eligible under subdivision 1, the business review committee shall give priority to businesses which have a record of growth, or potential for future growth and job creation, are labor intensive, and meet the definition of a small business as defined in section 645.445.*

Subd. 3. [LIMITS.] *A maximum of \$5 per hour for each person hired with funds available under the small business jobs program may be disbursed under this section for a maximum of 1,040 hours over no more than 26 weeks per employee.*

## Sec. 5. [268A.05] [PAYBACK.]

*A business receiving funds under this program shall repay funds according to the following schedule: for each person employed for less than one year the business shall repay 70 percent of the amount initially received, without interest. The business shall repay 50 percent of the amount initially received, without interest, for each person employed more than one year and less than two years. The business shall repay 33 percent of the amount initially received, without interest, for each person employed more than two years. If an employer dismisses an em-*



ployee for good cause and works in good faith with the program administrator to employ and train another person referred by the program administrator, the payback schedule shall be continued as if the original person had continued in employment.

Beginning one year after a business receives funds from the program administrator, the business shall begin to make payments. Payments shall be according to a schedule agreed to by the program administrator and the business prior to the disbursement of the funds. The schedule may be modified by mutual agreement of the parties. However, payments shall be completed within three years of the initial disbursement of funds. The program administrator shall forward payments received under this section to the grants administrator on a monthly basis. The grants administrator shall deposit these payments in the small business job creation incentives program revolving account.

Sec. 6. [268A.06] [PROGRAM ADMINISTRATOR.]

Subdivision 1. [APPLICANTS.] The program administrators in each service delivery area shall publicize the small business job creation incentives program and accept and screen job applications. The program administrator shall refer qualified eligible applicants to businesses which have received the approval of the business review committee.

Subd. 2. [CHILD CARE.] The program administrator shall advise each eligible job applicant of the availability of licensed day care listings and subsidies. Each person hired full time under the job creation incentives program shall be provided with lists of locally available licensed day care sites. The program administrator may contract with an existing agency to provide this service. A subsidy for payment of child-care costs shall be provided by the program administrator to those persons determined eligible pursuant to standards determined by the commissioner. This section is exempt from the rulemaking provisions of chapter 14, the Administrative Procedure Act.

Subd. 3. [OTHER RESOURCES.] The program administrator shall publicize the resources of local educational and training programs to aid applicants in receiving training needed to qualify for jobs which are available under the program.

Subd. 4. [AID TO BUSINESSES.] The program administrator shall assist businesses in completing the forms, and other prerequisites for participation in the program.

Sec. 7. [268A.07] [WORK INCENTIVE DEMONSTRATION PROJECT.]

Subdivision 1. In order to maximize the opportunity for recipients of aid to families with dependent children to take full

advantage of the jobs created by sections 1 to 11, the commissioner of public welfare shall inform each applicant or recipient of the availability of this program.

Subd. 2. In addition, the commissioner shall make changes in the state plan and rules or seek any waivers or demonstration authority as necessary to minimize the barriers to participation in the programs or to employment. Changes shall be sought in the following areas including, but not limited to: allowances, child care, work expenses, the amount and duration of earning incentives, medical care coverage, limitations on the hours of employment, and the diversion of payments to wage subsidies. The commissioner shall implement each change as soon as possible.

Subd. 3. Persons required to register for the work incentive program under section 256.736 or with job services shall be referred to the small business job creation incentives program for the required orientation, appraisal, and job search activities.

Subd. 4. Participants shall receive medical assistance and other benefits provided under the aid to families with dependent children program according to the applicable standards and any authority granted by the department of health and human services.

Subd. 5. The commissioner of public welfare may adopt rules, including temporary rules for the implementation of this section.

Sec. 8. [268A.08] [PUBLIC SERVICE JOBS PROGRAMS.]

Subdivision 1. [PROJECTS.] The commissioner shall allocate the funds available for public service jobs to program administrators according to section 3. The program administrators shall allocate these funds to state agencies, counties, cities, towns, school districts, and nonprofit agencies that sponsor public service jobs. The sponsoring unit shall provide the administration, supervision, supplies, and materials for all jobs.

Subd. 2. [PERMISSIBLE EXPENDITURES.] All money appropriated for jobs under this program shall be expended for wages and benefits for eligible job applicants, except as provided in section 11.

Subd. 3. [WAGES.] A maximum of \$5 per hour for a maximum of 1,040 hours for each person hired under this section may be disbursed to a sponsoring unit of government or nonprofit agency.

Subd. 4. [LIMITS.] The sponsoring unit of a government or nonprofit agency may not terminate, lay off, or reduce the

*working hours of an employee for the purpose of hiring an individual with funds available under this section. The sponsoring unit may not hire an individual with funds available under this act if any other person is on layoff from the same or a substantially equivalent job.*

*Subd. 5. [EMPLOYER CERTIFICATION.] In order to qualify as an eligible employer, a government or nonprofit agency must certify to the program administrator that each job created and funded under this section:*

*(1) will result in an increase in employment opportunities over those which would otherwise be available;*

*(2) will not result in the displacement of currently employed workers, including partial displacement such as reduction in hours of nonovertime work, wages, or employment benefits; and*

*(3) will not impair existing contracts for service or result in the substitution of program funds for other funds in connection with work that would otherwise be performed.*

#### Sec. 9. [268A.09] [RULES.]

*The commissioner of economic security may adopt rules necessary to implement this article. These rules are not subject to chapter 14, the Administrative Procedure Act.*

#### Sec. 10. [268A.10] [SMALL BUSINESS JOB CREATION INCENTIVES PROGRAM REVOLVING ACCOUNT.]

*The small business creation incentives program revolving account is established in the state treasury. All payments from businesses pursuant to section 5 shall be deposited in this account, and all funds in the account are annually appropriated to the commissioner of economic security for the purpose of making disbursements pursuant to section 3.*

#### Sec. 11. [USE OF FUNDS.]

*To the extent permissible under federal law, the commissioner of economic security shall use funds available under the Job Training Partnership Act to fund the small business job creation incentives program. The commissioner may also apply for gifts and grants, including matching grants, for the program, and shall deposit funds received in the revolving account. Gift and grant funds may be distributed as specified by the person making the gift or grant. This sum shall be available until June 30, 1985. It is the intent of the legislature that the commissioner give priority to using these funds and funds appropriated by the legislature for private sector jobs to the extent that eligible small businesses apply for funds. The commissioner shall make*

*an initial determination of the amount that she believes can be used under the small business job creation incentive program. Remaining funds may be used for public service jobs, as provided in section 8. The commissioner's initial allocation of funds between private and public sector jobs programs shall be submitted to the legislative advisory commission prior to July 1, 1983, and approved by the governor according to section 3.30 prior to taking effect. The commissioner may amend her initial determination, and shift funds between the public and private sector jobs program as necessary to maximize employment opportunities, while giving priority to private sector jobs. The amended allocation shall be submitted to the legislative advisory commission and approved by the governor according to section 3.30 prior to taking effect. In allocating funds to program administrators, the commissioner shall specify what proportion of the funds may be used for public service jobs. Ninety-eight percent of the amount appropriated from the general fund shall be disbursed to program administrators according to sections 3 and 8. The remaining two percent shall be used by the commissioner for administrative purposes. Of the funds disbursed to each program administrator at least 80 percent shall be disbursed to qualifying businesses under section 4 or to sponsors of public service jobs under section 8. Up to five percent may be disbursed to the program administrators for administrative purposes. Up to 15 percent may be disbursed to the program administrators for provision of child-care information and subsidies pursuant to section 6, and for provision of other support services to persons employed under the small business job creation incentives program.*

*By October 1, 1984, the program administrator of each service delivery area shall submit to the grants administrator a spending plan establishing that funds allocated to the service delivery area will be used by July 1, 1985, in the manner required by sections 1 to 10. Any funds allocated to the service delivery area for which there is no spending plan approved by the grants administrator shall cancel back to the commissioner of economic security on November 1, 1984, and may be reallocated by the grants administrator to other program administrators.*

## ARTICLE 6

### GRANT AND ALLOWANCE PROGRAMS

Section 1. Minnesota Statutes 1982, section 13.46, subdivision 2, is amended to read:

Subd. 2. [GENERAL.] Unless the data is summary data or a statute specifically provides a different classification, data on individuals collected, maintained, used or disseminated by the welfare system is private data on individuals, and shall not be disclosed except:

- (a) Pursuant to section 13.05;
- (b) Pursuant to a valid court order;
- (c) Pursuant to a statute specifically authorizing access to the private data;
- (d) To an agent of the welfare system, including appropriate law enforcement personnel, who are acting in the investigation, prosecution, criminal or civil proceeding relating to the administration of a program;
- (e) To personnel of the welfare system who require the data to determine eligibility, amount of assistance, and the need to provide services of additional programs to the individual;
- (f) To administer federal funds or programs; or
- (g) Between personnel of the welfare system working in the same program; or
- (h) *To the Minnesota department of economic security for the purpose of monitoring the eligibility of the data subject for unemployment compensation or for any employment or training program administered by that agency, whether alone or in conjunction with the welfare system.*

Sec. 2. Minnesota Statutes 1982, section 268.12, subdivision 12, is amended to read:

Subd. 12. [INFORMATION.] Except as hereinafter otherwise provided, data gathered from any employing unit, employer or individual pursuant to the administration of sections 268.03 to 268.24, and from any determination as to the benefit rights of any individual shall be private data on individuals or nonpublic data not on individuals as defined in section 13.02, subdivisions 9 and 12 and shall not be disclosed except pursuant to this subdivision or pursuant to a valid court order. This private data may be disseminated to and used by the following agencies without the consent of the subject of the data:

- (a) State and federal agencies specifically authorized access to the data by state or federal law;
- (b) Any agency of this or any other state; or any federal agency charged with the administration of an employment security law or the maintenance of a system of public employment offices;
- (c) Local human rights groups within the state which have enforcement powers;

(d) The Minnesota department of revenue on an interchangeable basis with the department of economic security subject to the following restrictions and notwithstanding any law to the contrary:

(1) The department of revenue may have access to department of economic security data on individuals and employing units only to the extent necessary for proper enforcement of tax laws; and

(2) The department of economic security may have access to department of revenue data pertaining only to individuals who have claimed benefits under sections 268.03 to 268.24 and only if the individuals are the subject of investigations based on other information available to the department of economic security. The data provided by the department of revenue shall be limited to the amount of gross income earned by an individual, the total amount of earnings from each employer and the employers' names. Upon receipt of the data, the department of economic security may not disseminate the data to any individual or agency except in connection with a prosecution for violation of the provisions of sections 268.03 to 268.24. This clause shall not be construed to be a restriction on the exchange of information pertaining to corporations or other employing units to the extent necessary for the proper enforcement of this chapter;

(e) Public and private agencies responsible for administering publicly financed assistance programs for the purpose of monitoring the eligibility of the program's recipients;

(f) The department of labor and industry for the purpose of determining the eligibility of the data subject;

(g) Local and state welfare agencies for monitoring the eligibility of the data subject for assistance programs, *or for any employment or training program administered by those agencies, whether alone, in combination with another welfare agency, or in conjunction with the department of economic security;* and

(h) Local, state and federal law enforcement agencies for the sole purpose of ascertaining the last known address and employment location of the data subject, provided the data subject is the subject of a criminal investigation.

Data on individuals, employers, and employing units which are collected, maintained, or used by the department in an investigation pursuant to section 268.18, subdivision 3 are confidential as to data on individuals and protected nonpublic data as defined in section 13.02, subdivisions 3 and 13 as to nonindividual employers and employing units, and shall not be disclosed except pursuant to statute or valid court order or to a party named in a criminal proceeding, administrative or judicial, for preparation of a defense.

Data on individuals, employers, and employing units which are collected, maintained, or used by the department in the adjudication of a separation or eligibility issue pursuant to the administration of section 268.10, subdivision 2 are confidential as to data on individuals and protected nonpublic data as to non-individual employers and employing units as defined in section 13.02, subdivisions 3 and 13 and shall not be disclosed except pursuant to the administration of section 268.10, subdivisions 3 to 8 or pursuant to a valid court order.

Aggregate data about employers compiled from individual job orders placed with the department of economic security are non-public data as defined in section 13.02, subdivision 9 if the commissioner determines that divulging the data would result in disclosure of the identity of the employer. The general aptitude test battery and the nonverbal aptitude test battery as administered by the department are also classified as nonpublic data.

Data on individuals collected, maintained or created because an individual applies for benefits or services provided by the energy assistance and weatherization programs administered by the department of economic security is private data on individuals and shall not be disseminated except pursuant to section 13.05, subdivisions 3 and 4.

Data gathered by the department pursuant to the administration of sections 268.03 to 268.24 shall not be made the subject or the basis for any suit in any civil proceedings, administrative or judicial, unless the action is initiated by the department.

Sec. 3. Minnesota Statutes 1982, section 256D.01, subdivision 1, is amended to read:

Subdivision 1. [OBJECTIVES AND POLICY OF GENERAL ASSISTANCE.] The objectives of sections 256D.01 to 256D.21 are to provide a sound administrative structure for public assistance programs; to maximize the use of federal funds for public assistance purposes; and to provide an integrated public assistance program for *all* those persons in the state (MEETING THE ELIGIBILITY CRITERIA CONTAINED IN THIS CHAPTER) *without adequate income or resources to maintain a subsistence reasonably compatible with decency and health.*

It is hereby declared to be the policy of this state that persons unable to provide for themselves and not otherwise provided for by law and who meet the eligibility requirements of sections 256D.01 to 256D.21 shall be entitled to receive such grants of general assistance (, WITHIN THE TIME LIMITS SET FORTH IN THIS CHAPTER) as may be necessary to maintain a subsistence reasonably compatible with decency and health. The furnishing of such assistance and services is a matter of public concern and a necessity in promoting the public health and welfare.

A principal objective in providing general assistance shall be to provide for persons ineligible for federal programs who are unable to provide for themselves. To achieve these aims, the commissioner shall establish minimum standards of assistance for general assistance. The minimum standard for cash payments to recipients shall be: as to shelter and utilities, 100 percent of the actual need or state standards therefor, subject to the maximum established for shelter in the aid to the blind, aid to the disabled, and old age assistance programs in December, 1973; and as to other budgetary items, 50 percent, of those established for said items in the aid to the blind, aid to the disabled, and old age assistance programs in December, 1973. The minimum standards of assistance shall authorize the payment of rates negotiated by local agencies for recipients living in a room and board arrangement. In order to maximize the use of federal funds, the commissioner shall (PROMULGATE REGULATIONS) *adopt rules*, to the extent permitted by federal law for eligibility for the emergency assistance program under aid to families with dependent children, and under the terms of sections 256D.01 to 256D.21 for general assistance, to require the use of the emergency program under aid to families with dependent children as the primary financial resource when available. The commissioner shall provide by (REGULATION) *rule* for the eligibility for general assistance of persons with seasonal income, and may attribute seasonal income to other periods not in excess of one year from receipt by an applicant or recipient.

Sec. 4. Minnesota Statutes 1982, section 256D.02, subdivision 4, is amended to read:

Subd. 4. [GENERAL ASSISTANCE.] "General assistance" means cash payments to persons unable to provide themselves with a reasonable subsistence compatible with decency and health and who are not otherwise provided for under the laws of this state or the United States. It shall include cash payments for goods, shelter, fuel, food, clothing, light, necessary household supplies, and personal need items. General assistance shall not include payments for foster care, child welfare services, or other social services. Vendor payments *and vouchers* may be (MADE) *issued* only as provided for in section 256D.09.

Sec. 5. Minnesota Statutes 1982, section 256D.02, is amended by adding a subdivision to read:

*Subd. 8a.* [JOBS PROGRAM ALLOWANCE.] *An allowance received pursuant to section 13 is unearned income under subdivision 8.*

Sec. 6. Minnesota Statutes 1982, section 256D.05, subdivision 1a, is amended to read:

Subd. 1a. [TEMPORARY STANDARDS.] Notwithstanding the provisions of subdivision 1, from March 24, 1982 until



(JUNE) *September 30, 1983*, each person or family whose income and resources are less than the standard of assistance established by the commissioner, and who is not eligible for the federally aided assistance programs of emergency assistance or aid to families with dependent children, or any successor to those programs, shall be eligible for and entitled to general assistance if the person or family is:

(a) A person who is suffering from a permanent or temporary illness, injury, or incapacity which is both medically certified and prevents the person from engaging in suitable employment, and who, if the medical certification establishes that the illness, injury, or incapacity is temporary and recommends a reasonable plan for rehabilitation, is following the plan;

(b) A person whose presence in the home on a substantially continuous basis is required because of the certified illness or incapacity of another member of the household;

(c) A person who has been placed in a licensed or certified facility for purposes of physical or mental health or rehabilitation, if the placement is based on illness or incapacity, and is pursuant to a plan developed or approved by the local agency through its director or designated representative;

(d) A person who resides in a shelter facility described in subdivision 3;

(e) A person who is or may be eligible for displaced homemaker services, programs, or assistance under section 4.40. In determining eligibility of the person for general assistance, income received as a stipend shall be disregarded as provided in section 4.40;

(f) A person who is unable to secure suitable employment due to inability to communicate in the English language, and who, if assigned to a language skills program by the local agency, is participating in that program;

(g) A person not described in clause (a) or (c) who is diagnosed by a licensed physician or licensed consulting psychologist as mentally ill or mentally retarded;

(h) A person who is unable to secure suitable employment due to a lack of marketable skills and who, if assigned to a vocational counseling, vocational rehabilitation, or work training program by the local agency, is participating in that program. Eligibility for general assistance under clause (h) is limited to five weeks per calendar year;

(i) A person who has an application pending for the program of supplemental security income for the aged, blind and

disabled or has been terminated from that program and has an appeal from that termination pending, and who has executed an interim assistance authorization agreement pursuant to the provisions of section 256D.06, subdivision 5; or

(j) A person who is unable to secure suitable employment because his advanced age significantly affects his ability to engage in substantial work. This clause is effective January 1, 1983.

This subdivision is repealed (JULY 1) *October 1, 1983.*

Sec. 7. Minnesota Statutes 1982, section 256D.06, subdivision 5, is amended to read:

Subd. 5. [ELIGIBILITY FOR OTHER BENEFITS; INTERIM ASSISTANCE.] Any applicant, otherwise eligible for general assistance and possibly eligible for maintenance benefits from any other source shall be obligated to (a) make application for those benefits within 30 days of the general assistance application; and (b) execute an interim assistance authorization agreement on a form as directed by the commissioner. If found eligible for benefits from other sources, and a payment received from another source relates to the period during which general assistance was also being received, the recipient shall be required to reimburse the local agency for the interim assistance paid. Reimbursement shall not exceed the amount of general assistance paid during the time period to which the other maintenance benefits apply and shall not exceed the state standard applicable to that time period. *The commissioner shall adopt rules, and may adopt temporary rules, authorizing local agencies to retain from the amount recovered under an interim assistance agreement 25 percent plus actual reasonable costs of litigation and disbursements when the agency has provided special assistance to the recipient in processing the recipient's claim for maintenance benefits from other sources. The funds retained under this section shall be from the state share of the recovery. The local agency may contract with qualified persons for special assistance. The rules adopted by the commissioner shall include the methods by which local agencies shall identify, refer, and assist recipients who may be eligible for benefits under the federal programs for the disabled.* This (PROVISION) subdivision shall not require repayment of per diem payments made to shelters for battered women pursuant to section 256D.05, subdivision 3.

Sec. 8. Minnesota Statutes 1982, section 256D.09, subdivision 2, is amended to read:

Subd. 2. [RULES FOR RECIPIENTS UNABLE TO MANAGE GRANTS.] Notwithstanding the provisions of subdivision 1, the commissioner shall provide by rule (AND REGULATION), *and is authorized to adopt temporary rules, for*

situations in which *vouchers and vendor payments* may be (MADE) issued by local agencies because of the inability of the recipient to manage his general assistance grant for his own or family's benefit.

Sec. 9. Minnesota Statutes 1982, section 256D.09, is amended by adding a subdivision to read:

*Subd. 3. [GRANT DIVERSION AGREEMENTS.] Notwithstanding any other provision of sections 256D.01 to 256D.21, the commissioner of public welfare may provide by rule for the payment of all or a part of a recipient's grant pursuant to a grant diversion agreement entered into by the commissioner of public welfare with the commissioner of economic security. Any rule adopted by the commissioner shall establish the maximum and minimum length of grant diversion agreements, and shall provide that any grant diversion agreement entered into provide that the recipient be paid at least the usual and customary wage, and that the total of the net monthly wages paid the recipient and any part of the grant retained by the recipient be at least 150 percent of the recipient's monthly grant. During the term of the grant diversion agreement, the recipient shall retain his full general assistance medical care benefits to the extent that medical care coverage is not provided by his employer.*

Sec. 10. [256D.111] [REGISTRATION FOR WORK; DISQUALIFICATION.]

*Subdivision 1. [REGISTRATION REQUIREMENT.] Unless exempt in accordance with the provisions of subdivision 2, an adult who is a recipient of general assistance and who is not employed is required to register for employment services with the department of economic security; comply with reasonable reporting and job search requirements, as prescribed by permanent or temporary rule; and to accept any offer of suitable employment.*

*Subd. 2. [EXEMPTIONS.] A recipient is not required to register for employment services with the department of economic security and comply with the other requirements of subdivision 1 if he is:*

*(a) a person who is suffering from a permanent or temporary illness, injury, or incapacity which is medically certified and which prevents the person from obtaining or retaining employment;*

*(b) a person whose presence in the home on a substantially continuous basis is required because of the certified illness, injury, incapacity, or the age of another member of the household;*

*(c) a person who has been placed in a licensed or certified facility for purposes of physical or mental health or rehabilita-*

tion, or in an approved chemical dependency domiciliary facility, if the placement is based on illness or incapacity and is pursuant to a plan developed or approved by the local agency through its director or designated representative;

(d) a person who resides in a shelter facility described in section 256D.05, subdivision 3;

(e) a person who is or may be eligible for displaced homemaker services, programs, or assistance under section 4.40;

(f) a person not described in clause (a) or (c) who is diagnosed by a licensed physician or licensed consulting psychologist as mentally retarded or mentally ill, which condition prevents the person from obtaining or retaining employment;

(g) a person who has an application pending for the social security disability program or the program of supplemental security income for the aged, blind, and disabled, or who has been terminated from either program and has an appeal from that termination pending;

(h) a person who is unable to obtain or retain employment because his advanced age significantly affects his ability to seek or engage in substantial work;

(i) a person who has been referred to, has applied for, or is in a work training, work experience, vocational rehabilitation, or other employment related educational program if the period of time the person is exempted pursuant to this clause, while awaiting acceptance into such program, shall not exceed two months;

(j) an adult member of a household with children in which another adult is employed full time or has registered for employment services with the department of economic security or has been accepted in a work training program; or

(k) a person who has been certified as unemployable by the commissioner of economic security.

**Subd. 3. [RIGHT TO HEARING.]** Any person required by the local agency to register in accordance with the provisions of subdivision 1 is entitled, prior to grant reduction, suspension, or termination, to a hearing pursuant to the provisions of section 256D.10 on the issue of whether the person comes within the exemptions contained in subdivision 2.

**Subd. 4. [NOTICE OF NONCOMPLIANCE.]** No notice of grant reduction, suspension, or termination on the ground that a recipient has failed to comply with the requirements of subdivision 1 shall be given by the local agency pursuant to section

256D.10 until the commissioner of economic security certifies in writing to the local agency that the recipient has been finally determined, in accordance with the notice, hearing, and appeal rights and procedures applicable to the work incentive program, as prescribed in section 256.736, subdivision 4, clause (4), to have failed to comply with the requirements of subdivision 1. A final determination, if made in accordance with these procedures, shall be binding upon the local agency and the recipient.

Subd. 5. [RULEMAKING.] The commissioner shall adopt rules and is authorized to adopt temporary rules:

(a) providing for a reasonable period of disqualification from the receipt of general assistance for a recipient who is not exempt pursuant to subdivision 2 and who has been finally determined pursuant to the procedure prescribed in subdivision 4 to have failed to comply with the requirements of subdivision 1, provided that the period of disqualification for the first failure to comply shall not exceed one month;

(b) providing for the use of vouchers or vendor payments with respect to the family of a recipient described in clause (a); and

(c) providing that at the time of the approval of an application for general assistance, the local agency gives to the recipient a written notice in plain and easily understood language describing the recipient's job registration, search, and acceptance obligations under this section, and the period of disqualification that will be imposed for a failure to comply with those obligations.

Sec. 11. [256D.112] [TEMPORARY AUTHORITY TO REFER CERTAIN RECIPIENTS TO COMMISSIONER OF ECONOMIC SECURITY.]

The local agency shall refer a recipient to the commissioner of economic security for services under the small business job creation incentive program or the public service jobs program upon the payment to the recipient of a one-month grant. A referral shall be in writing, shall describe the jobs programs for which the referral is being made, shall state the address of the office to which the recipient is being referred, and shall state that if the recipient is not accepted for participation in the jobs programs, the recipient should return to the local agency. Notwithstanding the provisions of section 10, subdivision 3, and section 256D.10, assistance to a general assistance recipient referred to the commissioner of economic security pursuant to this section shall be suspended at the time of the referral for a period of 30 days following the period for which a grant has been issued. If the recipient does not return to the local agency within the 30-

day period, assistance shall be terminated. This section does not apply:

(1) to persons that the commissioner of economic security has determined, pursuant to section 12, are not eligible for the jobs programs; are not likely to secure a job through one of the jobs programs; or are not able to successfully perform a job available through one of the jobs programs;

(2) to persons who are recipients of general assistance on July 1, 1983; and

(3) to persons whom the local agency has substantial reason to believe are covered by section 10, subdivision 2.

Nothing in this section shall be construed as prohibiting any recipient who has not been referred by the local agency from applying to the commissioner of economic security for services under the small business job creation incentive program or the public service jobs program. The local agency shall provide to all recipients a written description of the small business job creation incentive program and the public service jobs program.

#### Sec. 12. [268A.11] [APPLICATION PROCESS; DETERMINATIONS.]

Any person may apply to the commissioner for services under the small business job creation incentive program or the public service jobs program. Upon receiving an application, the commissioner shall promptly determine the person's eligibility for services under the programs, the person's ability to successfully perform a job available through one of the programs, and the person's eligibility for an allowance pursuant to section 13. In determining the eligibility of a person for the allowance, the commissioner shall apply the eligibility standards set forth in sections 256D.01 to 256D.21. A person referred by a local agency pursuant to the provisions of section 11 shall be deemed to be eligible for the allowance. If the commissioner finds at any time that a person is not eligible for services under the jobs programs or if the commissioner determines after a three-month period that the person is unlikely to secure a job through one of the jobs programs, then the commissioner shall issue a written determination stating the findings and provide the person with a written referral to the appropriate local agency. If the commissioner finds at any time, pursuant to standards established by the commissioner by rule or temporary rule, that a person is not able to successfully perform a job available through one of the jobs programs, the commissioner shall issue a written determination stating the findings and explaining the person's right to appeal pursuant to section 14, and shall provide the person with a written referral to the appropriate local agency. If the commissioner finds that a person is not eligible for an allowance pursuant to

*section 13, the commissioner shall advise the person in writing that the person may make an application for general assistance with the appropriate local agency.*

**Sec. 13 [268A.12] [PAYMENT OF ALLOWANCE.]**

*A person accepted pursuant to section 12 for participation in the small business job creation incentive program or the public service jobs program and determined by the commissioner to satisfy the eligibility standards set forth in sections 256D.01 to 256D.21 shall be paid a cash allowance by the commissioner in an amount which is not less than the amount of the general assistance grant that the person would otherwise receive pursuant to sections 256D.01 to 256D.21. The commissioner shall adopt a permanent or temporary rule establishing the amounts of allowances to be paid pursuant to this section. The initial allowance shall be paid to the person as soon as administratively feasible. A person referred by a local agency pursuant to section 11 shall be paid the initial allowance upon the expiration of the period covered by the one-month grant received from the local agency. Thereafter, the allowance shall be paid at such intervals as the commissioner shall by rule or temporary rule prescribe.*

**Sec. 14. [268A.13] [APPEAL PROCEDURE.]**

*A person aggrieved by a determination issued pursuant to section 12 that the person is not able to successfully perform a job available through the small business job creation incentive program or the public service jobs program may appeal that determination in accordance with the time limits and procedures applicable to the work incentive program, as prescribed in section 256.736, subdivision 4, clause (4). If otherwise eligible under section 13, the person shall receive the allowance prescribed by section 13 until a final decision on the appeal is rendered.*

**Sec. 15. [268A.14] [SUITABLE EMPLOYMENT FOR PURPOSES OF GENERAL ASSISTANCE.]**

*For purposes of eligibility for general assistance pursuant to sections 256D.01 to 256D.21, a job provided through the small business job creation incentive program or the public service jobs program shall be deemed to be "suitable employment," as that term is defined in section 256D.02, subdivision 13.*

**Sec. 16. [TRANSFER OF FUNDS.]**

*The commissioners of economic security and public welfare may, upon approval by the legislative advisory commission and the governor according to section 3.30, transfer funds among appropriations and between departments if the utilization of small business jobs, public service jobs, allowances, or general*

*assistance is significantly different from the projected utilization.*

Sec. 17. [REPEALER.]

*Minnesota Statutes 1982, sections 256D.02, subdivision 14; and 256D.06, subdivision 1a, are repealed.*

Sec. 18. [SUNSET PROVISION.]

*Sections 5 and 11 to 15 of this article are repealed June 30, 1985.*

Sec. 19. [EFFECTIVE DATE.]

*Sections 1 to 4, 6 to 9, 17, and 18 of this article are effective the day following final enactment. Sections 5 and 10 to 15 of this article are effective October 1, 1983.*

## ARTICLE 7

### SERVICES FOR THE MENTALLY RETARDED

Section 1. Minnesota Statutes 1982, section 252.24, subdivision 1, is amended to read:

Subdivision 1. [SELECTION OF DEVELOPMENTAL ACHIEVEMENT CENTERS.] The county board shall administer developmental achievement services, *including training and habilitation services provided by licensed developmental achievement centers to residents of intermediate care facilities for the mentally retarded.* The county board shall ensure that transportation is provided for persons who fulfill the eligibility requirements of section 252.23, clause (1), utilizing the most efficient and reasonable means available. The county board may contract for developmental achievement services and transportation from a center which is licensed under the provisions of sections 245.781 to 245.813, 252.28, and 257.175, and in the board's opinion, best provides daytime developmental achievement services for mentally retarded and cerebral palsied persons within the appropriation and medical assistance resources made available for this purpose. Daytime developmental achievement services administered by the county board shall comply with standards established by the commissioner pursuant to subdivision 2 and applicable federal regulations.

Sec. 2. Minnesota Statutes 1982, section 252.28, is amended to read:

252.28 [COMMISSIONER OF PUBLIC WELFARE; DUTIES.]



Subdivision 1. [DETERMINATIONS; BIENNIAL REDETERMINATIONS.] The commissioner of public welfare (MAY) shall determine, and shall redetermine biennially, the need, location, size, and program of public and private residential and day care facilities and services for mentally retarded children and adults.

Subd. 2. [RULES; PROGRAM STANDARDS; LICENSES.] The commissioner of public welfare shall:

(1) Establish uniform rules, regulations and program standards for each type of residential and day facility or service for (MORE THAN FOUR) *mentally* retarded persons, including state institutions under control of the commissioner and serving mentally retarded persons, and *excluding* mentally retarded persons residing with their families.

(2) Grant licenses according to the provisions of Laws 1976, chapter 243, sections 2 to 13.

Subd. 3. [LICENSING DETERMINATIONS.] (1) No new license shall be granted pursuant to this section when the issuance of the license would substantially contribute to an excessive concentration of community residential facilities within any town, municipality or county of the state.

(2) In determining whether a license shall be issued pursuant to this subdivision, the commissioner of public welfare shall specifically consider the population, size, land use plan, availability of community services and the number and size of existing public and private community residential facilities in the town, municipality or county in which a licensee seeks to operate a residence. Under no circumstances may the commissioner newly license any facility pursuant to this section except as provided in section 245.812. The commissioner of public welfare shall establish uniform rules and regulations to implement the provisions of this subdivision.

(3) Licenses for community facilities and services shall be issued pursuant to section 245.821.

Subd. 4. [RULES; DECERTIFICATION OF BEDS.] *The commissioner shall promulgate in rule criteria for decertification of beds in intermediate care facilities for the mentally retarded, and shall encourage providers in voluntary decertification efforts. The commissioner shall not recommend to the commissioner of health the involuntary decertification of an intermediate care facility for beds for the mentally retarded prior to the availability of appropriate services for those residents affected by the decertification. The commissioner of health shall decertify those intermediate care beds determined to be not needed by the commissioner of welfare.*

**Sec. 3. [252.291] [LIMITATION ON DETERMINATION OF NEED.]**

*Subdivision 1. [MORATORIUM.] Notwithstanding section 252.28, subdivision 1, or any other law or rule to the contrary, the commissioner of public welfare shall deny any request for a determination of need and refuse to grant a license pursuant to section 245.782 for any new intermediate care facility for mentally retarded persons or for an increase in the licensed capacity of an existing facility except as provided in subdivision 2. In no event shall the total of certified intermediate care beds for mentally retarded persons in community facilities and state hospitals exceed 7,500 beds as of July 1, 1983, and 7,000 beds as of July 1, 1986. "Certified bed" means an intermediate care bed for the mentally retarded certified by the commissioner of health for the purposes of the medical assistance program under United States Code, title 42, sections 1396 to 1396p, as amended through December 31, 1982.*

*Subd. 2. [EXCEPTIONS.] The commissioner of public welfare in coordination with the commissioner of health may approve a new intermediate care facility for mentally retarded persons only in the following circumstances:*

*(a) when the facility is developed in accordance with a request for proposal system established pursuant to subdivision 3, clause (c);*

*(b) when the facility is necessary to serve the needs of identifiable mentally retarded persons who are seriously behaviorally disordered or who are physically or sensorily impaired; or*

*(c) to license beds in new facilities where need was determined by the commissioner prior to the effective date of this section.*

**Subd. 3. [DUTIES OF COMMISSIONER OF PUBLIC WELFARE.]** *The commissioner shall:*

*(a) establish standard admission criteria for state hospitals and county utilization targets to limit and reduce the number of intermediate care beds in state hospitals and community facilities in accordance with approved waivers under United States Code, title 42, sections 1396 to 1396p, as amended through December 31, 1982, to assure that appropriate services are provided in the least restrictive setting;*

*(b) eliminate state hospital beds by consolidating program units and closing other units as necessary to reduce costs and assure quality programming, provided that a staff redeployment plan is in place before the consolidation, and shall ensure that providers of services make reasonable efforts to hire qualified*

*employees of state hospital units who have been displaced by re-organization, closure, or consolidation of state hospital mental retardation units;*

*(c) provide technical assistance so that county boards may establish a request for proposal system for meeting individual service plan objectives through home and community-based services; alternative community services; or, if no other alternative will meet the needs of identifiable individuals for whom the county is financially responsible, a new intermediate care facility for mentally retarded persons; and*

*(d) establish a client tracking and evaluation system as required under applicable federal waiver regulations, Code of Federal Regulations, title 42, sections 431, 435, 440, and 441, as amended through December 31, 1982.*

*(e) develop a state plan for the delivery and funding of residential day and support services to the mentally retarded in Minnesota and submit that plan to the clerk of each house of the Minnesota legislature on or before the 15th of January of each biennium beginning January 15, 1985. The biennial mental retardation plan shall include but not be limited to:*

*(1) county by county maximum intermediate care bed utilization quotas;*

*(2) plans for the development of the number and types of services alternative to intermediate care beds;*

*(3) procedures for the administration and management of the plan;*

*(4) procedures for the evaluation of the implementation of the plan; and*

*(5) the number, type, and location of intermediate care beds targeted for decertification.*

*The commissioner shall modify the plan to ensure conformance with the medical assistance home and community-based services waiver.*

*Subd. 4. [MONITORING.] The commissioner of public welfare, in coordination with the commissioner of health, shall implement mechanisms to monitor and analyze the effect of the bed moratorium in the different geographic areas of the state. The commissioner of public welfare shall submit to the legislature annually beginning January 15, 1984, an assessment of the impact of the moratorium by geographic areas.*

*Subd. 5. [RULEMAKING.] The commissioner of public welfare shall promulgate temporary and permanent rules pursuant to chapter 14, the Administrative Procedure Act, to implement this section.*

Sec. 4. Minnesota Statutes 1982, section 256B.02, subdivision 8, is amended to read:

Subd. 8. [MEDICAL ASSISTANCE; MEDICAL CARE.] "Medical assistance" or "medical care" means payment of part or all of the cost of the following care and services for eligible individuals whose income and resources are insufficient to meet all of (SUCH) *this* cost:

- (1) inpatient hospital services (.);
- (2) skilled nursing home services and services of intermediate care facilities (.), *including training and habilitation services, as defined in section 256B.50, subdivision 1, for mentally retarded individuals residing in intermediate care facilities for the mentally retarded;*
- (3) physicians' services (.);
- (4) outpatient hospital or clinic services (.);
- (5) home health care services (.);
- (6) private duty nursing services (.);
- (7) physical therapy and related services (.);
- (8) dental services, excluding cast metal restorations (.);
- (9) laboratory and x-ray services (.);
- (10) the following if prescribed by a licensed practitioner: drugs, eyeglasses, dentures, and prosthetic devices. The commissioner shall designate a formulary committee which shall advise the commissioner on the names of drugs for which payment shall be made, recommend a system for reimbursing providers on a set fee or charge basis rather than the present system, and develop methods encouraging use of generic drugs when they are less expensive and equally effective as trademark drugs. The commissioner shall appoint the formulary committee members no later than 30 days following July 1, 1981. The formulary committee shall consist of nine members, four of whom shall be physicians who are not employed by the department of public welfare, and a majority of whose practice is for persons paying privately or through health insurance, three of whom shall be pharmacists who are not employed by the department of public welfare, and a majority of whose practice is for persons paying privately or through health insurance, a consumer representative, and a nursing home representative. Committee members shall serve two year terms and shall serve without compensation. The commissioner may establish a drug formulary. Its

establishment and publication shall not be subject to the requirements of the administrative procedure act, but the formulary committee shall review and comment on the formulary contents. The formulary shall not include: drugs for which there is no federal funding; over the counter drugs, except for antacids, acetaminophen, family planning products, aspirin, insulin, prenatal vitamins, and vitamins for children under the age of seven; nutritional products; anorectics; and drugs for which medical value has not been established. Payment to drug vendors shall not be modified before the formulary is established. The commissioner may promulgate conditions for prohibiting payment for specific drugs after considering the formulary committee's recommendations.

The basis for determining the amount of payment shall be the actual acquisition costs of the drugs plus a fixed dispensing fee established by the commissioner. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. Establishment of this fee shall not be subject to the requirements of the administrative procedure act. Whenever a generically equivalent product is available, payment shall be on the basis of the actual acquisition cost of the generic drug, unless the prescriber specifically indicates "dispense as written" on the prescription as required by section 151.21, subdivision 2.

Notwithstanding the above provisions, implementation of any change in the fixed dispensing fee which has not been subject to the administrative procedure act shall be limited to not more than 180 days, unless, during that time, the commissioner shall have initiated rulemaking through the administrative procedure act (.);

(11) diagnostic, screening, and preventive services (.);

(12) health care pre-payment plan premiums and insurance premiums if paid directly to a vendor and supplementary medical insurance benefits under Title XVIII of the Social Security Act (.);

(13) abortion services, but only if one of the following conditions is met:

(a) The abortion is a medical necessity. "Medical necessity" means (1) the signed written statement of two physicians indicating the abortion is medically necessary to prevent the death of the mother, and (2) the patient has given her consent to the abortion in writing unless the patient is physically or legally incapable of providing informed consent to the procedure, in which case consent will be given as otherwise provided by law;

(b) The pregnancy is the result of criminal sexual conduct as defined in section 609.342, clauses (c), (d), (e) (i), and (f),

and the incident is reported within 48 hours after the incident occurs to a valid law enforcement agency for investigation, unless the victim is physically unable to report the criminal sexual conduct, in which case the report shall be made within 48 hours after the victim becomes physically able to report the criminal sexual conduct; or

(c) The pregnancy is the result of incest, but only if the incident and relative are reported to a valid law enforcement agency for investigation prior to the abortion (.) ;

(14) transportation costs incurred solely for obtaining emergency medical care or transportation costs incurred by non-ambulatory persons in obtaining emergency or non-emergency medical care when paid directly to an ambulance company, common carrier, or other recognized providers of transportation services. For the purpose of this clause, a person who is incapable of transport by taxicab or bus shall be considered to be non-ambulatory (.) ;

(15) to the extent authorized by rule of the state agency, costs of bus or taxicab transportation incurred by any ambulatory eligible person for obtaining non-emergency medical care (.) ; and

(16) any other medical or remedial care licensed and recognized under state law unless otherwise prohibited by law.

Sec. 5. [256B.092] [CASE MANAGEMENT OF MENTALLY RETARDED PERSONS.]

*Subdivision 1. [COUNTY OF FINANCIAL RESPONSIBILITY; DUTIES.] Before any services shall be rendered to mentally retarded persons in need of social service and medical assistance, the county of financial responsibility shall conduct a diagnostic evaluation in order to determine whether the person is or may be mentally retarded. If a client is diagnosed mentally retarded, that county must conduct a needs assessment, develop an individual service plan, and authorize placement for services. If the county of financial responsibility places a client in another county for services, the placement shall be made in cooperation with the host county of service, and arrangements shall be made between the two counties for ongoing social service, including annual reviews of the client's individual service plan. The host county may not make changes in the service plan without approval by the county of financial responsibility.*

*Subd. 2. [MEDICAL ASSISTANCE.] To assure quality case management to those county clients who are eligible for medical assistance, the commissioner shall: (a) provide consultation on the case management process; (b) assist county agencies in the screening and annual reviews of clients to assure*

that appropriate levels of service are provided; (c) provide consultation on service planning and development of services with appropriate options; (d) provide training and technical assistance to county case managers; and (e) authorize payment for medical assistance services.

**Subd. 3. [TERMINATION OF SERVICES.]** County agency case managers, under rules of the commissioner, shall authorize and terminate services of community and state hospital providers in accordance with individual service plans. Medical assistance services not needed shall not be authorized by county agencies nor funded by the commissioner.

**Subd. 4. [ALTERNATIVE HOME AND COMMUNITY BASED SERVICES.]** The commissioner shall make payments to county boards participating in the medical assistance program to pay costs of providing alternative home and community based services to medical assistance eligible mentally retarded persons screened under subdivision 7. Payment is available under this subdivision only for persons who, if not provided these services, would require the level of care provided in an intermediate care facility for mentally retarded persons.

**Subd. 5. [FEDERAL WAIVERS.]** The commissioner shall apply for any federal waivers necessary to secure, to the extent allowed by law, federal financial participation under United States Code, title 42, sections 1396 to 1396p, as amended through December 31, 1982, for the provision of services to persons who, in the absence of the services, would need the level of care provided in a state hospital or a community intermediate care facility for mentally retarded persons. The commissioner may seek amendments to the waivers or apply for additional waivers under United States Code, title 42, sections 1396 to 1396p, as amended through December 31, 1982, to contain costs. The commissioner shall ensure that payment for the cost of providing home and community based alternative services under the federal waiver plan shall not exceed the cost of intermediate care services that would have been provided without the waived services.

**Subd. 6. [RULES.]** The commissioner shall adopt temporary and permanent rules to establish required controls, documentation, and reporting of services provided in order to assure proper administration of the approved waiver plan.

**Subd. 7. [SCREENING TEAMS ESTABLISHED.]** Each county agency shall establish a screening team which, under the direction of the county case manager, shall make an evaluation of need for home and community based services of persons who are entitled to the level of care provided by an intermediate care facility for mentally retarded persons or for whom there is a reasonable indication that they might need the services in the near future. The screening team shall make an evaluation of need

*within 15 working days of the request for service and within five working days of an emergency admission of an individual to an intermediate care facility for mentally retarded persons. The screening team shall consist of the case manager, the client, a parent or guardian, a qualified mental retardation professional, as defined in the Code of Federal Regulations, title 42, section 442.401, as amended through December 31, 1982, assigned by the commissioner. The case manager shall consult with the client's physician or other persons as necessary to make this evaluation. Other persons may be invited to attend meetings of the screening team. No member of the screening team shall have any direct or indirect service provider interest in the case.*

*Subd. 8. [SCREENING TEAM DUTIES.] The screening team shall:*

- (a) review diagnostic data;*
- (b) review health, social, and developmental assessment data using a uniform screening tool specified by the commissioner;*
- (c) identify the level of services needed to maintain the person in the most normal and least restrictive setting that is consistent with treatment needs;*
- (d) identify other noninstitutional public assistance or social service that may prevent or delay long-term residential placement;*
- (e) determine whether a client is in serious need of long-term residential care;*
- (f) make recommendations to the county agency regarding placement and payment for: (1) social service or public assistance support to maintain a client in the client's own home or other place of residence; (2) training and habilitation service, vocational rehabilitation, and employment training activities; (3) community residential placement; (4) state hospital placement; or (5) a home and community based alternative to community residential placement or state hospital placement;*
- (g) make recommendations to a court as may be needed to assist the court in making commitments of mentally retarded persons; and*
- (h) inform clients that appeal may be made to the commissioner pursuant to section 256.045.*

*Subd. 9. [REIMBURSEMENT.] Payment shall not be provided to a service provider for any recipient placed in an intermediate care facility for the mentally retarded prior to the recipient being screened by the screening team. The commissioner*



shall not deny reimbursement for: (a) an individual admitted to an intermediate care facility for mentally retarded who is assessed to need long-term supportive services, if long-term supportive services other than intermediate care are not available in that community; (b) any individual admitted to an intermediate care facility for the mentally retarded under emergency circumstances; (c) any eligible individual placed in the intermediate care facility for the mentally retarded pending an appeal of the screening team's decision; or (d) any medical assistance recipient when, after full discussion of all appropriate alternatives including those that are expected to be less costly than intermediate care for mentally retarded, the individual or the individual's legal representative insists on intermediate care placement. The screening team shall provide documentation that the most cost effective alternatives available were offered to this individual or the individual's legal representative.

Sec. 6. Minnesota Statutes 1982, section 256B.19, is amended by adding a subdivision to read:

*Subd. 3. [STUDY OF MEDICAL ASSISTANCE FINANCIAL PARTICIPATION.] The commissioner shall study the feasibility and outcomes of implementing a variable medical assistance county financial participation rate for long-term care services to mentally retarded persons in order to encourage the utilization of alternative services to long-term intermediate care for the mentally retarded. The commissioner shall submit his findings and recommendations to the legislature by January 20, 1984.*

Sec. 7. [256B.50] [RATES FOR COMMUNITY-BASED SERVICES FOR THE MENTALLY RETARDED.]

*Subdivision 1. [DEFINITIONS.] For the purposes of this section, the following terms have the meaning given them.*

(a) "Commissioner" means the commissioner of public welfare.

(b) "Facility" means a facility licensed as a mental retardation residential facility under section 252.28, licensed as a supervised living facility under chapter 144, and certified as an intermediate care facility for the mentally retarded.

(c) "Waivered service" means home or community-based service authorized under United States Code, title 42, section 1396n (c), as amended through December 31, 1982, and defined in the Minnesota state plan for the provision of medical assistance services. Waivered services include, at a minimum, case management, family training and support, developmental training homes, supervised living arrangements, semi-independent living services, respite care, and training and habilitation services.

(d) "Training and habilitation services" are those health and social services needed to ensure optimal functioning of persons who are mentally retarded or have related conditions. Training and habilitation services shall be provided to a client away from the residence unless medically contraindicated by an organization which does not have a direct or indirect financial interest in the organization which provides the person's residential services. This requirement shall not apply to any developmental achievement center which has applied for licensure prior to April 15, 1983.

Subd. 2. [AUTHORITY.] The commissioner shall establish procedures and rules for determining rates for care of residents of intermediate care facilities for the mentally retarded which qualify as vendors of medical assistance, waived services, and for provision of training and habilitation services. Approved rates shall be established on the basis of methods and standards that the commissioner finds adequate to provide for the costs that must be incurred for the quality care of residents in efficiently and economically operated facilities and services. The procedures shall specify the costs that are allowable for payment through medical assistance. The commissioner may use experts from outside the department in the establishment of the procedures.

Subd. 3. [RATES FOR INTERMEDIATE CARE FACILITIES FOR THE MENTALLY RETARDED.] The commissioner shall establish, by rule, procedures for determining rates for care of residents of intermediate care facilities for the mentally retarded. The procedures shall be based on methods and standards that the commissioner finds are adequate to provide for the costs that must be incurred for the care of residents in efficiently and economically operated facilities. In developing the procedures, the commissioner shall include:

(a) cost containment measures that assure efficient and prudent management of capital assets and operating cost increases which do not exceed increases in other sections of the economy;

(b) limits on the amounts of reimbursement for property, general and administration, and new facilities;

(c) requirements to ensure that the accounting practices of the facilities conform to generally accepted accounting principles; and

(d) incentives to reward accumulation of equity.

In establishing rules and procedures for setting rates for care of residents in intermediate care facilities for mentally retarded persons, the commissioner shall consider the recommendations

contained in the February 11, 1983, Report of the Legislative Auditor on Community Residential Programs for the Mentally Retarded and the recommendations contained in the 1982 Report of the Department of Public Welfare Rule 52 Task Force. Rates paid to supervised living facilities for rate years beginning during the fiscal biennium ending June 30, 1985, shall not exceed the final rate allowed the facility for the previous rate year by more than six percent.

*Subd. 4. [WAIVERED SERVICES.] In establishing rates for waived services the commissioner shall consider the need for flexibility in the provision of those services to meet individual needs identified by the screening team.*

*Subd. 5. [TRAINING AND HABILITATION SERVICES.] (a) Except as provided in subdivision 6, rates for reimbursement under medical assistance for training and habilitation services provided by a developmental achievement center either as a waived service or to residents of an intermediate care facility for mentally retarded persons shall be established and paid in accordance with this subdivision effective January 1, 1984.*

*(b) Prior to August 1, 1983, the county board shall submit to the commissioner its contractual per diem rate and its maximum per client annual payment limitations, if any, for each developmental achievement center it administers pursuant to section 252.24, subdivision 1, for the period from July 1, 1983, through December 31, 1983, which shall be the medical assistance reimbursement rate established for that developmental achievement center for 1983. If the county rate is based on average daily attendance which is less than 93 percent of the developmental achievement center's average enrollment for the period from July 1, 1983, to December 31, 1983, the commissioner shall adjust that rate based on 93 percent average daily attendance.*

*(c) The base per diem reimbursement rate established for 1983 may be increased by the commissioner in 1984 in an amount up to the projected percentage change in the average value of the consumer price index (all urban) for 1984 over 1983. In subsequent years, the increase in the per diem rate shall not exceed the projected percentage change in the average annual value of the consumer price index (all urban) for the same time period.*

*(d) The county board in which an intermediate care facility for mentally retarded persons is located shall contract annually with that facility and with the appropriate developmental achievement center or training and habilitation service provider for provision of training and habilitation services for each resident of the facility for whom the services are required by the resident's individual service plan. This contract shall specify the county payment rate or the medical assistance reimburse-*

ment rate, as appropriate; the training and habilitation services to be provided; and the performance standards for program provision and evaluation. A similar contract shall be entered into between the county and the developmental achievement center for persons receiving training and habilitation services from that center as a waived service.

(e) The commissioner shall reimburse under medical assistance up to 210 days of training and habilitation services at developmental achievement centers for those centers which provided less than or equal to 210 days of training and habilitation services in calendar year 1982. For developmental achievement centers providing more than 210 days of services in 1982, the commissioner shall not reimburse under medical assistance in excess of the number of days provided by those programs in 1982.

(f) Medical assistance payments for training and habilitation services shall be made directly to the training and habilitation provider after submission of invoices to the medical assistance program following procedures established by the medical assistance program.

(g) Nothing in this subdivision shall prohibit county boards from contracting for rates for services not reimbursed under medical assistance.

**Subd. 6. [NEW DEVELOPMENTAL ACHIEVEMENT PROGRAMS; RATES.]** The commissioner, upon the recommendation of the local county board, shall determine the medical assistance reimbursement rate for new developmental achievement programs. The payment rate shall not exceed 125 percent of the average payment rate in the region.

**Subd. 7. [ALTERNATIVE RATES FOR TRAINING AND HABILITATION SERVICES.]** Alternative methods may be proposed by the counties or the commissioner for provision of training and habilitation services during daytime hours apart from a residential facility to persons for whom needs identified in their individual service plan are not met by the training and habilitation services provided at a developmental achievement center. The commissioner shall establish procedures for approval of the proposals and for medical assistance payment of rates which shall not exceed the average rate allowed in that county for training and habilitation services pursuant to subdivision 5. Nothing in this subdivision prohibits a county from contracting with a developmental achievement center for those purposes.

**Subd. 8. [PAYMENT FOR PERSONS WITH SPECIAL NEEDS.]** The commissioner shall establish by December 31, 1983, procedures to be followed by the counties to seek authorization from the commissioner for medical assistance reimbursement for waived services or training and habilitation services

for very dependent persons with special needs in an amount in excess of the rates allowed pursuant to subdivisions 2, 4, 5, and 6, and procedures to be followed for rate limitation exemptions for intermediate care facilities for mentally retarded persons. No excess payment or limitation exemption shall be authorized unless the need for the service is documented in the individual service plan of the person or persons to be served, the type and duration of the services needed are stated, and there is a basis for estimated cost of the services.

The commissioner shall evaluate the services provided pursuant to this subdivision through program and fiscal audits.

*Subd. 9. [REPORTING REQUIREMENTS.] The developmental achievement center shall submit to the county and the commissioner no later than March 1 of each year an annual report which includes the actual program revenues and expenditures, client information, and program information. The information shall be submitted on forms prescribed by the commissioner.*

*Subd. 10. [RULES.] To implement this section, the commissioner shall promulgate temporary and permanent rules in accordance with chapter 14. To implement subdivision 3, the commissioner shall promulgate temporary rules by October 1, 1983, and permanent rules in accordance with sections 14.01 to 14.38. Notwithstanding the provisions of section 14.35, the temporary rule promulgated to implement subdivision 3 shall be effective for up to 720 days.*

#### Sec. 8. [RULES.]

To implement sections 1 to 7, the commissioner shall promulgate temporary and permanent rules in accordance with sections 14.01 to 14.38.

Sec. 9. Minnesota Statutes 1982, section 256E.06, is amended by adding a subdivision to read:

*Subd. 2a. [STATE TRANSFER OF FUNDS.] Notwithstanding subdivisions 1 and 2, for the purpose of funding training and habilitation services provided to residents of intermediate care facilities for mentally retarded persons as required under federal regulation, the commissioner is authorized to transfer on a quarterly basis to the medical assistance state account from each county's Community Social Services Act allocation an amount equal to the state share of medical assistance reimbursement for such services provided to clients for whom the county is financially responsible. Upon federal approval and state implementation of the state medical assistance plan, county boards will not be responsible for the funding of training and habilitation services as a social service to residents of intermediate care*

facilities for the mentally retarded. County board responsibility for training and habilitation services shall be assumed under section 256B.20. County boards continue to be responsible for funding developmental achievement center services not covered under the medical assistance program established by United States Code, title 42, sections 1396 to 1396p, as amended through December 31, 1982, and shall develop contractual agreements for these services under the authority of chapter 256E.

Sec. 10. [CASE MANAGEMENT PLAN.]

(a) Up to 15 line item positions are authorized for the implementation of provisions of the case management plan, the home and community based services waiver program, assisting county agencies in screening clients for medical assistance services, technical assistance in developing community-based alternatives, and management of the mental retardation medical assistance program.

(b) The appropriation for development and implementation of this project shall be expended with the approval of the governor after consulting with the legislative advisory commission as provided in section 3.30. Release of these funds shall also be contingent upon submission of a plan prepared by the commissioner. The plan shall describe the following:

(1) the organization, development, and responsibilities of requested staff;

(2) specification of all the administrative costs associated with the program;

(3) how the information system will be integrated into the community services information system, the medicaid management information system, and any other data processing operations of the department;

(4) the methods for implementing the system; and

(5) the projected costs for the maintenance and operation of the system.

The plan shall be submitted to the chairmen of the house appropriations and senate finance committees.

Sec. 11. [REPEALER.]

The provisions of sections 2, 3, 5, 7, subdivisions 1 and 4 and 10 are repealed effective June 30, 1984, if a home and community based waiver under United States Code, title 42, section 1915(c), as amended through December 31, 1982, is not approved by June 30, 1984.

## Sec. 12. [EFFECTIVE DATE.]

*Sections 1 to 11 are effective the day following final enactment."*

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for welfare, corrections, health, and other purposes with certain conditions; providing appropriations for the departments of public welfare, economic security, corrections, health, sentencing guidelines commission, corrections ombudsman, and health related boards; amending Minnesota Statutes 1982, sections 13.46, subdivision 2; 144.653, subdivision 2; 144A.10, subdivision 2; 145.881; 145.882; 145.921, subdivision 1; 245.62; 245.66; 246.51, subdivision 1; 246.57, by adding a subdivision; 251.011, subdivision 6; 252.24, subdivision 1; 252.28; 256.01, subdivision 2; 256.82, by adding a subdivision; 256.966, subdivision 1; 256.967; 256.968; 256B.02, subdivision 8; 256B.04, subdivision 14, and by adding a subdivision; 256B.-041, subdivisions 2 and 5; 256B.06, subdivision 1; 256B.061; 256B.064, subdivisions 1a and 2; 256B.07; 256B.14, subdivision 2; 256B.17, by adding a subdivision; 256B.19, by adding a subdivision; 256B.27, subdivisions 3 and 4; 256D.01, subdivision 1; 256D.02, subdivision 4, and by adding a subdivision; 256D.03, subdivision 4, and by adding a subdivision; 256D.05, subdivision 1a; 256D.06, subdivision 5; 256D.09, subdivision 2, and by adding a subdivision; 256E.06, subdivision 2, and by adding a subdivision; 401.14, by adding a subdivision; 401.15, subdivision 1; and Laws 1981, chapter 360, section 10; proposing new law coded in Minnesota Statutes, chapters 145; 246; 252; 256; 256B; and 256D; proposing new law coded as Minnesota Statutes, chapter 268A; repealing Minnesota Statutes 1982, sections 256D.02, subdivision 14; 256D.06, subdivision 1a; Laws 1979, chapter 336, section 5; and Laws 1981, chapter 323, section 4."

The motion prevailed and the amendment was adopted.

Wynia moved to amend S. F. No. 1234, as amended, as follows:

Page 22, line 5, delete "not"

Anderson, R., moved to amend the Wynia amendment to S. F. No. 1234, as amended, as follows:

Add the following to the Wynia amendment:

Page 2, line 6, after "shall" insert "not"

A roll call was requested and properly seconded.

## CALL OF THE HOUSE

On the motion of Wynia and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Anderson, R.	Findlay	Kostohryz	Piepho	Swanson.
Battaglia	Fjoslien	Krueger	Price	Thiede
Beard	Forsythe	Kvam	Quinn	Tomlinson
Begich	Frerichs	Larsen	Quist	Tunheim
Bennett	Greenfield	Levi	Redalen	Uphus
Bergstrom	Gruenes	Long	Riveness	Valan
Berkelman	Gustafson	Ludeman	Rodosovich	Valento
Bishop	Gutknecht	Mann	Rodriguez, C.	Vanasek
Brinkman	Halberg	McDonald	Rodriguez, F.	Vellenga
Burger	Haukoos	McKasy	Rose	Voss
Carlson, D.	Heap	Metzen	St. Onge	Waltman
Carlson, L.	Heinitz	Minne	Sarna	Welch
Clark, J.	Himle	Munger	Schafer	Welker
Cohen	Hoberg	Murphy	Schoenfeld	Welle
Coleman	Hoffman	Neuenschwander	Seaberg	Wenzel
Dempsey	Hokr	O'Connor	Segal	Wigley
DenOuden	Jacobs	Ogren	Shaver	Wynia
Dimler	Jennings	Olsen	Shea	Zaffke
Eken	Johnson	Omann	Sherman	Speaker Sieben
Elioff	Kalis	Onnen	Skoglund	
Ellingson	Kelly	Otis	Sparby	
Erickson	Knickerbocker	Pauly	Staten	
Evans	Knuth	Peterson	Sviggum	

Wynia moved that further proceedings of the roll call be dispensed with and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

The question recurred on the Anderson, R., amendment to the Wynia amendment to S. F. No. 1234, as amended, and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 54 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Fjoslien	Hokr	Olsen	Sherman
Bennett	Forsythe	Jennings	Omann	Sviggum
Bishop	Frerichs	Johnson	Pauly	Thiede
Burger	Gruenes	Knickerbocker	Piepho	Uphus
Carlson, D.	Gutknecht	Kvam	Quist	Valan
Dempsey	Halberg	Levi	Redalen	Valento
DenOuden	Haukoos	Ludeman	Rose	Waltman
Dimler	Heap	Marsh	Schafer	Welker
Erickson	Heinitz	McDonald	Schreiber	Wigley
Evans	Himle	McEachern	Seaberg	Zaffke
Findlay	Hoberg	McKasy	Shaver	



Those who voted in the negative were:

Anderson, B.	Eken	Long	Piper	Skoglund
Anderson, G.	Elioff	Mann	Price	Solberg
Battaglia	Ellingson	Metzen	Quinn	Sparby
Beard	Graba	Minne	Rice	Staten
Begich	Greenfield	Munger	Riveness	Swanson
Bergstrom	Gustafson	Murphy	Rodosovich	Tomlinson
Berkelman	Hoffman	Nelson, D.	Rodriguez, C.	Tunheim
Brandl	Jacobs	Nelson, K.	Rodriguez, F.	Vanasek
Brinkman	Kahn	Neuenschwander	St. Onge	Vellenga
Carlson, L.	Kalis	Norton	Sarna	Voss
Clark, J.	Kelly	O'Connor	Scheid	Welch
Clark, K.	Knuth	Ogren	Schoenfeld	Welle
Clawson	Kostchryz	Osthoff	Segal	Wenzel
Cohen	Krueger	Otis	Shea	Wynia
Coleman	Larsen	Peterson	Simoneau	Speaker Sieben

The motion did not prevail and the amendment to the amendment was not adopted.

The question recurred on the Wynia amendment to S. F. No. 1234, as amended. The motion prevailed and the amendment was adopted.

Anderson, R., moved to amend S. F. No. 1234, as amended, as follows:

Page 79, line 9, delete "*and state hospitals*"

Page 79, line 9, delete "*7,500*" and insert "*7,000*"

Page 79, line 10, delete "*7,000*" and insert "*6,500*"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 36 yeas and 86 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Fjoslien	Knickerbocker	Rose	Valan
Bishop	Frerichs	Levi	Schafer	Welker
Burger	Gruenes	Marsh	Seaberg	Welle
Carlson, D.	Gutknecht	McDonald	Shaver	Zaffke
Dimler	Haukoos	Olsen	Sherman	
Erickson	Heap	Omamm	Stadum	
Evans	Heinitz	Quist	Thiede	
Findlay	Hoberg	Redalen	Uphus	

Those who voted in the negative were:

Anderson, B.	Forsythe	Long	Peterson	Staten
Anderson, G.	Graba	Ludeman	Piepho	Sviggum
Battaglia	Greenfield	Mann	Piper	Swanson
Beard	Gustafson	McEachern	Price	Tomlinson
Begich	Halberg	McKasy	Quinn	Turheim
Bennett	Himle	Metzen	Rice	Valento
Bergstrom	Hoffman	Minne	Riveness	Vanasek
Berkelman	Hokr	Munger	Rodosovich	Vellenga
Brandl	Jacobs	Murphy	Rodriguez, C.	Voss
Brinkman	Jennings	Nelson, D.	Rodriguez, F.	Waltman
Carlson, L.	Johnson	Nelson, K.	St. Onge	Welch
Clark, J.	Kahn	Neuenschwander	Sarna	Wenzel
Clawson	Kelly	Norton	Scheid	Wynia
Cohen	Knuth	O'Connor	Schoenfeld	Speaker Sieben
DenOuden	Kostohryz	Ogren	Segal	
Eken	Krueger	Osthoff	Simoneau	
Elioff	Kvam	Otis	Skoglund	
Ellingson	Larsen	Pauly	Sparby	

The motion did not prevail and the amendment was not adopted.

Anderson, R., moved to amend S. F. No. 1234, as amended, as follows:

Page 80, delete lines 2 to 9

Reletter the clauses

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 36 yeas and 88 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Fjoslien	Marsh	Reif	Valento
Burger	Frerichs	McDonald	Schafer	Waltman
Carlson, D.	Gutknecht	Nelson, D.	Sherman	Welker
Dempsey	Haukoos	Olsen	Stadum	Welle
Dimler	Heinitz	Omann	Sviggum	
Erickson	Hoberg	Onnen	Thiede	
Evans	Knickerbocker	Piepho	Uphus	
Findlay	Ludeman	Redalen	Valan	

Those who voted in the negative were:

Anderson, B.	Begich	Bishop	Clark, J.	Coleman
Anderson, G.	Bennett	Brandl	Clark, K.	DenOuden
Battaglia	Bergstrom	Brinkman	Clawson	Eken
Beard	Berkelman	Carlson, L.	Cohen	Elioff

Ellingson	Kalis	Murphy	Rodosovich	Sparby
Forsythe	Kelly	Nelson, K.	Rodriguez, C.	Staten
Graba	Knuth	Neuenschwander	Rodriguez, F.	Swanson
Gruenes	Kostohryz	Norton	Rose	Tomlinson
Gustafson	Krueger	Ogren	St. Onge	Tunheim
Halberg	Larsen	Osthoff	Sarna	Vanasek
Heap	Levi	Pauly	Scheid	Vellenga
Himle	Long	Peterson	Schoenfeld	Voss
Hoffman	Mann	Piper	Seaberg	Welch
Hokr	McEachern	Price	Segal	Wenzel
Jacobs	McKasy	Quinn	Shea	Wynia
Jennings	Metzen	Quist	Simoneau	Speaker Sieben
Johnson	Minne	Rice	Skoglund	
Kahn	Munger	Riveness	Solberg	

The motion did not prevail and the amendment was not adopted.

Anderson, R., moved to amend S. F. No. 1234, as amended, as follows:

Page 30, line 18, after "implementing" insert "up to"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 43 yeas and 83 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Findlay	Ludeman	Redalen	Valento
Bennett	Fjoslien	Marsh	Rose	Voss
Burger	Frerichs	McDonald	Schafer	Waltman
Carlson, D.	Gutknecht	McEachern	Seaberg	Welker
Clawson	Haukoos	Metzen	Sherman	Welle
Dempsey	Heap	Olsen	Stadum	Wigley
Dimler	Hoberg	Omman	Thiede	Zaffke
Ericson	Johnson	Onnen	Uphus	
Evans	Knickerbocker	Piepho	Valan	

Those who voted in the negative were:

Anderson, B.	Ellingson	Krueger	Pauly	Simoneau
Anderson, G.	Forsythe	Larsen	Peterson	Skoglund
Battaglia	Graba	Levi	Piper	Solberg
Beard	Greenfield	Long	Price	Sparby
Begich	Gruenes	Mann	Quinn	Staten
Bergstrom	Gustafson	McKasy	Quist	Sviggum
Berkelman	Halberg	Minne	Reif	Swanson
Bishop	Himle	Munger	Rice	Tomlinson
Brandl	Hoffman	Murphy	Riveness	Tunheim
Brinkman	Hokr	Nelson, D.	Rodosovich	Vanasek
Carlson, L.	Jacobs	Nelson, K.	Rodriguez, C.	Vellenga
Clark, J.	Jennings	Neuenschwander	Rodriguez, F.	Welch
Cohen	Kahn	Norton	St. Onge	Wenzel
Coleman	Kalis	O'Connor	Sarna	Wynia
DenOuden	Kelly	Ogren	Scheid	Speaker Sieben
Eken	Knuth	Osthoff	Schoenfeld	
Elioff	Kostohryz	Otis	Segal	

The motion did not prevail and the amendment was not adopted.

Swiggum moved to amend S. F. No. 1234, as amended, as follows:

Page 43, delete sections 13 and 14

Page 52, delete section 25

Renumber the sections and correct all internal cross references as may be required by this amendment

Page 53, delete line 4

Amend the title as follows:

Page 1, line 17, delete "256B.041,"

Page 1, line 18, delete "subdivisions 2 and 5;"

Page 1, line 24, delete ", and by adding a subdivision"

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 53 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Fjoslien	Johnson	Onnen	Thiede
Bennett	Frerichs	Knickerbocker	Pauly	Uphus
Bishop	Gruenes	Kvam	Piepho	Valan
Burger	Gutknecht	Levi	Quist	Valento
Carlson, D.	Haukoos	Ludeman	Redalen	Waltman
Dempsey	Heap	Marsh	Schafer	Welker
DenOuden	Heinitz	McDonald	Seaberg	Wenzel
Dimler	Himle	McEachern	Shaver	Wigley
Erickson	Hoberg	McKasy	Sherman	Zaffke
Evans	Hokr	Olsen	Stadum	
Findlay	Jennings	Omann	Swiggum	

Those who voted in the negative were:

Anderson, B.	Bergstrom	Clark, J.	Elioff	Gustafson
Anderson, G.	Berkelman	Clark, K.	Ellingson	Halberg
Battaglia	Brandl	Clawson	Forsythe	Hoffman
Beard	Brinkman	Coleman	Graba	Jacobs
Begich	Carlson, L.	Eken	Greenfield	Kahn

Kalis	Munger	Piper	St. Onge	Swanson
Kelly	Murphy	Price	Sarna	Tomlinson
Knuth	Nelson, D.	Quinn	Scheid	Tunheim
Kostohryz	Nelson, K.	Reif	Schoenfeld	Vanasek
Krueger	Neuenschwander	Rice	Segal	Vellenga
Larsen	O'Connor	Riveness	Simoneau	Voss
Long	Ogren	Rodosovich	Skoglund	Welch
Mann	Osthoff	Rodriguez, C.	Solberg	Welle
Metzen	Otis	Rodriguez, F.	Sparby	Wynia
Minne	Peterson	Rose	Staten	Speaker Sieben

The motion did not prevail and the amendment was not adopted.

Sviggum moved to amend S. F. No. 1234, as amended, as follows:

Pages 62 to 76, delete Article 6 and insert:

*“ARTICLE 6*

*GENERAL ASSISTANCE*

Section 1. Minnesota Statutes 1982, section 13.46, subdivision 2, is amended to read:

Subd. 2. [GENERAL.] Unless the data is summary data or a statute specifically provides a different classification, data on individuals collected, maintained, used or disseminated by the welfare system is private data on individuals, and shall not be disclosed except:

- (a) Pursuant to section 13.05;
- (b) Pursuant to a valid court order;
- (c) Pursuant to a statute specifically authorizing access to the private data;
- (d) To an agent of the welfare system, including appropriate law enforcement personnel, who are acting in the investigation, prosecution, criminal or civil proceeding relating to the administration of a program;
- (e) To personnel of the welfare system who require the data to determine eligibility, amount of assistance, and the need to provide services of additional programs to the individual;
- (f) To administer federal funds or programs; or
- (g) Between personnel of the welfare system working in the same program; or

*(h) To the Minnesota department of economic security for the purpose of monitoring the eligibility of the data subject for unemployment compensation or for any employment or training program administered by that agency, whether alone or in conjunction with the welfare system.*

Sec. 2. Minnesota Statutes 1982, section 268.12, subdivision 12, is amended to read:

Subd. 12. [INFORMATION.] Except as hereinafter otherwise provided, data gathered from any employing unit, employer or individual pursuant to the administration of sections 268.03 to 268.24, and from any determination as to the benefit rights of any individual shall be private data on individuals or nonpublic data not on individuals as defined in section 13.02, subdivisions 9 and 12 and shall not be disclosed except pursuant to this subdivision or pursuant to a valid court order. This private data may be disseminated to and used by the following agencies without the consent of the subject of the data:

(a) State and federal agencies specifically authorized access to the data by state or federal law;

(b) Any agency of this or any other state; or any federal agency charged with the administration of an employment security law or the maintenance of a system of public employment offices;

(c) Local human rights groups within the state which have enforcement powers;

(d) The Minnesota department of revenue on an interchangeable basis with the department of economic security subject to the following restrictions and notwithstanding any law to the contrary:

(1) The department of revenue may have access to department of economic security data on individuals and employing units only to the extent necessary for proper enforcement of tax laws; and

(2) The department of economic security may have access to department of revenue data pertaining only to individuals who have claimed benefits under sections 268.03 to 268.24 and only if the individuals are the subject of investigations based on other information available to the department of economic security. The data provided by the department of revenue shall be limited to the amount of gross income earned by an individual, the total amount of earnings from each employer and the employers' names. Upon receipt of the data, the department of economic security may not disseminate the data to any individual or agency except in connection with a prosecution for violation

of the provisions of sections 268.03 to 268.24. This clause shall not be construed to be a restriction on the exchange of information pertaining to corporations or other employing units to the extent necessary for the proper enforcement of this chapter;

(e) Public and private agencies responsible for administering publicly financed assistance programs for the purpose of monitoring the eligibility of the program's recipients;

(f) The department of labor and industry for the purpose of determining the eligibility of the data subject;

(g) Local and state welfare agencies for monitoring the eligibility of the data subject for assistance programs, *or for any employment or training program administered by those agencies, whether alone, in combination with another welfare agency, or in conjunction with the department of economic security;* and

(h) Local, state and federal law enforcement agencies for the sole purpose of ascertaining the last known address and employment location of the data subject, provided the data subject is the subject of a criminal investigation.

Data on individuals, employers, and employing units which are collected, maintained, or used by the department in an investigation pursuant to section 268.18, subdivision 3 are confidential as to data on individuals and protected nonpublic data as defined in section 13.02, subdivisions 3 and 13 as to nonindividual employers and employing units, and shall not be disclosed except pursuant to statute or valid court order or to a party named in a criminal proceeding, administrative or judicial, for preparation of a defense.

Data on individuals, employers, and employing units which are collected, maintained, or used by the department in the adjudication of a separation or eligibility issue pursuant to the administration of section 268.10, subdivision 2 are confidential as to data on individuals and protected nonpublic data as to nonindividual employers and employing units as defined in section 13.02, subdivisions 3 and 13 and shall not be disclosed except pursuant to the administration of section 268.10, subdivisions 3 to 8 or pursuant to a valid court order.

Aggregate data about employers compiled from individual job orders placed with the department of economic security are nonpublic data as defined in section 13.02, subdivision 9 if the commissioner determines that divulging the data would result in disclosure of the identity of the employer. The general aptitude test battery and the nonverbal aptitude test battery as administered by the department are also classified as nonpublic data.

Data on individuals collected, maintained or created because an individual applies for benefits or services provided by the energy assistance and weatherization programs administered by the department of economic security is private data on individuals and shall not be disseminated except pursuant to section 13.05, subdivisions 3 and 4.

Data gathered by the department pursuant to the administration of sections 268.03 to 268.24 shall not be made the subject or the basis for any suit in any civil proceedings, administrative or judicial, unless the action is initiated by the department.

Sec. 3. Minnesota Statutes 1982, section 256D.05, subdivision 1a, is amended to read:

Subd. 1a. [TEMPORARY STANDARDS.] Notwithstanding the provisions of subdivision 1, from March 24, 1982 until June 30, (1983) 1985, each person or family whose income and resources are less than the standard of assistance established by the commissioner, and who is not eligible for the federally aided assistance programs of emergency assistance or aid to families with dependent children, or any successor to those programs, shall be eligible for and entitled to general assistance if the person or family is:

(a) A person who is suffering from a permanent or temporary illness, injury, or incapacity which is both medically certified and prevents the person from engaging in suitable employment, and who, if the medical certification establishes that the illness, injury, or incapacity is temporary and recommends a reasonable plan for rehabilitation, is following the plan;

(b) A person whose presence in the home on a substantially continuous basis is required because of the certified illness or incapacity of another member of the household;

(c) A person who has been placed in a licensed or certified facility for purposes of physical or mental health or rehabilitation, if the placement is based on illness or incapacity, and is pursuant to a plan developed or approved by the local agency through its director or designated representative;

(d) A person who resides in a shelter facility described in subdivision 3;

(e) A person who is or may be eligible for displaced homemaker services, programs, or assistance under section 4.40. In determining eligibility of the person for general assistance, income received as a stipend shall be disregarded as provided in section 4.40;

(f) A person who is unable to secure suitable employment due to inability to communicate in the English language, and



who, if assigned to a language skills program by the local agency, is participating in that program;

(g) A person not described in clause (a) or (e) who is diagnosed by a licensed physician or licensed consulting psychologist as mentally ill or mentally retarded;

(h) A person who is unable to secure suitable employment due to a lack of marketable skills and who, if assigned to a vocational counseling, vocational rehabilitation, or work training program by the local agency, is participating in that program. Eligibility for general assistance under clause (h) is limited to five weeks per calendar year;

(i) A person who has an application pending for the program of supplemental security income for the aged, blind and disabled or has been terminated from that program and has an appeal from that termination pending, and who has executed an interim assistance authorization agreement pursuant to the provisions of section 256D.06, subdivision 5; or

(j) A person who is unable to secure suitable employment because his advanced age significantly affects his ability to engage in substantial work. This clause is effective January 1, 1983.

This subdivision is repealed July 1, (1983) 1985.

Sec. 4. Minnesota Statutes 1982, section 256D.06, subdivision 5, is amended to read:

Subd. 5. [ELIGIBILITY FOR OTHER BENEFITS; INTERIM ASSISTANCE.] Any applicant, otherwise eligible for general assistance and possibly eligible for maintenance benefits from any other source shall be obligated to (a) make application for those benefits within 30 days of the general assistance application; and (b) execute an interim assistance authorization agreement on a form as directed by the commissioner. If found eligible for benefits from other sources, and a payment received from another source relates to the period during which general assistance was also being received, the recipient shall be required to reimburse the local agency for the interim assistance paid. Reimbursement shall not exceed the amount of general assistance paid during the time period to which the other maintenance benefits apply and shall not exceed the state standard applicable to that time period. *The commissioner shall adopt rules, and may adopt temporary rules, authorizing local agencies to retain from the amount recovered under an interim assistance agreement 25 percent plus actual reasonable costs of litigation and disbursements when the agency has provided special assistance to the recipient in processing the recipient's claim for maintenance benefits from other sources. The funds retained under this section shall be from the state share of the recovery.*

*The local agency may contract with qualified persons for special assistance. The rules adopted by the commissioner shall include the methods by which local agencies shall identify, refer, and assist recipients who may be eligible for benefits under the federal programs for the disabled. This (PROVISION) subdivision shall not require repayment of per diem payments made to shelters for battered women pursuant to section 256D.05, subdivision 3.*

Sec. 5. Minnesota Statutes 1982, section 256D.09, subdivision 2, is amended to read:

Subd. 2. [RULES FOR RECIPIENTS UNABLE TO MANAGE GRANTS.] Notwithstanding the provisions of subdivision 1, the commissioner shall provide by rule (AND REGULATION), and is authorized to adopt temporary rules, for situations in which vouchers and vendor payments may be (MADE) issued by local agencies because of the inability of the recipient to manage his general assistance grant for his own or family's benefit.

Sec. 6. [268A.11] [APPLICATION PROCESS; DETERMINATIONS.]

*Any person may apply to the commissioner for services under the small business job creation incentive program or the public service jobs program. Upon receiving an application, the commissioner shall promptly determine the person's eligibility for services under the programs, the person's ability to successfully perform a job available through one of the programs, and the person's eligibility for an allowance pursuant to section 17. In determining the eligibility of a person for the allowance, the commissioner shall apply the standards set forth in sections 256D.01 to 256D.21. If the commissioner finds at any time that a person is not eligible for services under the jobs programs or if the commissioner determines after a three-month period that the person is unlikely to secure a job through one of the jobs programs, then the commissioner shall issue a written determination stating the findings. If the commissioner finds at any time, pursuant to standards established by the commissioner by rule or temporary rule, that a person is not able to successfully perform a job available through one of the jobs programs, the commissioner shall issue a written determination stating the findings and explaining the person's right to appeal pursuant to section 18.*

Sec. 7. [268A.12] [PAYMENT OF ALLOWANCE.]

*A person accepted pursuant to section 16 for participation in the small business job creation incentive program or the public service jobs program and determined by the commissioner to satisfy the standards set forth in sections 256D.01 to 256D.21 shall be paid a cash allowance by the commissioner. The commis-*

sioner shall adopt a permanent or temporary rule establishing the amounts of allowances to be paid pursuant to this section. The initial allowance shall be paid to the person as soon as administratively feasible.

Sec. 8. [268A.13] [APPEAL PROCEDURE.]

A person aggrieved by a determination issued pursuant to section 16 that the person is not able to successfully perform a job available through the small business job creation incentive program or the public service jobs program may appeal that determination in accordance with the time limits and procedures applicable to the work incentive program, as prescribed in section 256.736, subdivision 4, clause (4). If otherwise eligible under section 7, the person shall receive the allowance prescribed by section 7 until a final decision on the appeal is rendered.

Sec. 9. [REPEALER.]

Minnesota Statutes 1982, sections 256D.02, subdivision 14; and 256D.06, subdivision 1a, are repealed.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 9 are effective the day following final enactment."

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 47 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Bennett	Gutknecht	Kvam	Piepho	Uphus
Burger	Halberg	Levi	Quist	Valan
Dempsey	Haukoos	Ludeman	Redalen	Valento
DenOuden	Heap	Marsh	Rose	Waltman
Dimler	Heinitz	McDonald	Schafer	Weiker
Erickson	Himle	McKasy	Seaberg	Wigley
Findlay	Hoberg	Olsen	Shaver	Zaffke
Fjoslien	Jennings	Omann	Stadum	
Frerichs	Johnson	Onnen	Sviggum	
Gruenes	Knickerbocker	Pauly	Thiede	

Those who voted in the negative were:

Anderson, R.	Begich	Brinkman	Clark, J.	Cohen
Battaglia	Berkelman	Carlson, D.	Clark, K.	Coleman
Beard	Brandl	Carlson, L.	Clawson	Eken

Elioff	Kostohryz	Norton	Rodosovich	Sparby
Ellingson	Krueger	O'Connor	Rodriguez, C.	Staten
Evans	Larsen	Ogren	Rodriguez, F.	Swanson
Forsythe	Long	Osthoff	St. Onge	Tomlinson
Graba	Mann	Otis	Sarna	Tunheim
Greenfield	McEachern	Peterson	Scheid	Vanasek
Gustafson	Metzen	Piper	Schoenfeld	Vellenga
Hoffman	Minne	Price	Segal	Voss
Jacobs	Murphy	Quinn	Sherman	Welle
Kahn	Nelson, D.	Reif	Simoneau	Wenzel
Kelly	Nelson, K.	Rice	Skoglund	Wynia
Knuth	Neuenschwander	Riveness	Solberg	Speaker Sieben

The motion did not prevail and the amendment was not adopted.

Valan, Findlay, Hoberg, Evans, Fjoslien and Anderson, R., moved to amend S. F. No. 1234, as amended, as follows:

Page 8, line 44, strike "\$8,845,400" and insert "\$8,874,200"

Page 8, line 44, strike "\$9,056,100" and insert "\$9,074,900"

The question was taken on the amendment and the roll was called.

Ludeman moved that those not voting be excused from voting. The motion prevailed.

There were 67 yeas and 59 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Frerichs	Kelly	Picpho	Thiede
Bennett	Graba	Knickerbocker	Quist	Tunheim
Berkelman	Gruenes	Krueger	Redalen	Uphus
Bishop	Gustafson	Kvam	Rodosovich	Valan
Brinkman	Gutknecht	Ludeman	Rose	Valento
Burger	Halberg	Marsh	Schafer	Voss
Carlson, D.	Haukoos	McDonald	Schoenfeld	Waltman
Coleman	Heap	McKasy	Seaberg	Welker
Dempsey	Heinitz	Munger	Segal	Wenzel
Dimler	Himle	Neuenschwander	Sherman	Wigley
Erickson	Hoberg	Olsen	Solberg	Zaffke
Evans	Hokr	Omann	Sparby	
Findlay	Jennings	Onnen	Stadum	
Fjoslien	Johnson	Pauly	Sviggum	

Those who voted in the negative were:

Anderson, B.	Eken	Mann	Peterson	Simoneau
Anderson, G.	Elioff	McEachern	Piper	Skoglund
Battaglia	Ellingson	Metzen	Price	Staten
Beard	Greenfield	Minne	Quinn	Swanson
Begich	Hoffman	Murphy	Rice	Tomlinson
Bergstrom	Jacobs	Nelson, D.	Riveness	Vanasek
Brandl	Kahn	Nelson, K.	Rodriguez, C.	Vellenga
Carlson, L.	Kalis	Norton	Rodriguez, F.	Welch
Clark, J.	Knuth	O'Connor	St. Onge	Welle
Clark, K.	Kostohryz	Ogren	Sarna	Wynia
Clawson	Larsen	Osthoff	Scheid	Speaker Sieben
Cohen	Long	Otis	Shea	

The motion did not prevail and the amendment was not adopted.

Frerichs moved to amend S. F. No. 1234, as amended, as follows:

Page 42, line 29, delete everything after "*Establish*"

Page 42, line 30, delete "*basis*" and insert "*The commissioner shall study the effect of*"

Page 42, line 36, delete "*implementing*" and insert "*studying*"

Page 43, line 2, delete "*The*"

Page 43, delete lines 3 to 8 and insert "*The commissioner shall submit the results of the study to the legislature by January 15, 1984.*"

The motion did not prevail and the amendment was not adopted.

Jennings moved to amend S. F. No. 1234, as amended, as follows:

Page 53, delete lines 20 to 25

Page 55, line 14, delete "*and all of the funds available for allocation*"

Page 55, delete line 15

Page 59, delete lines 30 to 36

Page 60, delete lines 1 to 29

Page 61, line 21, delete "*Remaining funds may be*"

Page 61, delete lines 22 to 35

Page 62, line 5, after "*section 4*" delete "*or*" and insert a period

Page 62, line 6, delete "*to sponsors of public service jobs under section 8.*"

Renumber clauses, sections as necessary

Correct internal references

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 55 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Fjoslien	Hokr	McKasy	Shaver
Bennett	Forsythe	Jennings	Omann	Stadum
Bishop	Frerichs	Johnson	Onnen	Sviggum
Burger	Gruenes	Kalis	Pauly	Thiede
Carlson, D.	Gutknecht	Knickerbocker	Piepho	Uphus
Dempsey	Halberg	Kvam	Quist	Valan
DenOuden	Haukoos	Levi	Redalen	Valento
Dimler	Heap	Ludeman	Reif	Waltman
Erickson	Heinitz	Marsh	Rose	Welker
Evans	Himle	McDonald	Schafer	Wigley
Findlay	Hoberg	McEachern	Seaberg	Zaffke

Those who voted in the negative were:

Battaglia	Ellingson	Minne	Rice	Staten
Beard	Graba	Munger	Riveness	Swanson
Begich	Greenfield	Murphy	Rodosovich	Tomlinson
Bergstrom	Gustafson	Nelson, D.	Rodriguez, C.	Tunheim
Berkelman	Hoffman	Nelson, K.	Rodriguez, F.	Vanasek
Brandl	Jacobs	Neuenschwander	St. Onge	Vellenga
Brinkman	Kahn	Norton	Sarna	Voss
Carlson, L.	Kelly	O'Connor	Scheid	Welch
Clark, J.	Knuth	Ogren	Schoenfeld	Welle
Clark, K.	Kostohryz	Osthoff	Segal	Wenzel
Clawson	Krueger	Otis	Sherman	Wynia
Cohen	Larsen	Peterson	Simoneau	Speaker Sieben
Coleman	Long	Piper	Skoglund	
Eken	Mann	Price	Solberg	
Elioff	Metzen	Quinn	Sparby	

The motion did not prevail and the amendment was not adopted.

Burger moved to amend S. F. No. 1234, as amended, as follows:

Page 13, after line 23, insert:

“Sec. 11. [APPROPRIATION REDUCTION.]

*Notwithstanding any modification of the provisions of the other sections of this bill, every appropriation specified in sections 1 to 10 shall be reduced by 5 percent of the amount stated. All benefits and administrative costs to be paid in whole or in part from the appropriations in this bill shall be reduced pro*

*rata to allow implementation of all programs at a level of 95 percent."*

Renumber sections as necessary

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 54 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Findlay	Hoberg	Olsen	Shaver
Bennett	Fjosiiien	Hokr	Omann	Stadum
Bishop	Forsythe	Jennings	Onnen	Svigum
Brinkman	Frerichs	Johnson	Pauly	Thiede
Burger	Gruenes	Knickerbocker	Piepho	Uphus
Carlson, D.	Gutknecht	Kvam	Quist	Valan
Dempsey	Halberg	Levi	Redalen	Valento
DenOuden	Haukoos	Ludeman	Reif	Waltman
Dimler	Heap	Marsh	Rose	Welker
Erickson	Heinitz	McDonald	Schafer	Wigley
Evans	Himle	McKasy	Seaberg	

Those who voted in the negative were:

Anderson, B.	Ellingson	Metzen	Price	Solberg
Battaglia	Graba	Minne	Quinn	Sparby
Beard	Greenfield	Munger	Rice	Staten
Begich	Gustafson	Murphy	Riveness	Swanson
Bergstrom	Hoffman	Nelson, D.	Rodosovich	Tomlinson
Berkelman	Jacobs	Nelson, K.	Rodriguez, C.	Tunheim
Brandl	Kahn	Neuenschwander	Rodriguez, F.	Vanasek
Carlson, L.	Kelly	Norton	St. Onge	Vellenga
Clark, J.	Knuth	O'Connor	Scheid	Voss
Clark, K.	Kostohryz	Ogren	Schoenfeld	Welch
Clawson	Krueger	Osthoff	Segal	Welle
Coleman	Larsen	Otis	Sherman	Wenzel
Eken	Long	Peterson	Simoneau	Wynia
Elioff	Mann	Piper	Skoglund	Speaker Sieben

The motion did not prevail and the amendment was not adopted.

DenOuden moved to amend S. F. No. 1234, as amended, as follows:

Page 6, line 52, delete "71,446,900 56,510,600" and insert "63,946,900 49,010,600"

Page 7, line 1, delete "47,970,000 32,200,000" and insert "40,470,000 24,700,000"

Page 8, line 14, delete "78,676,900 79,767,900" and insert "86,176,900 87,267,900"

Page 9, line 16, delete "54,027,500 55,748,900" and insert "61,527,500 63,248,900"

Page 9, after line 16, insert:

"Of this appropriation \$7,500,000 for fiscal year 1984 and \$7,500,000 for fiscal year 1985 are appropriated for construction of a new women's correctional facility at Shakopee."

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 56 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Fjoslien	Jennings	Onnen	Thiede
Anderson, G.	Forsythe	Johnson	Pauly	Uphus
Bennett	Frerichs	Knickerbocker	Quist	Valan
Bishop	Gruenes	Kvam	Redalen	Valento
Burger	Gutknecht	Levi	Reif	Waltman
Carlson, D.	Halberg	Ludeman	Rose	Welker
Dempsey	Haukoos	Marsh	Schafer	Wigley
DenOuden	Heap	McDonald	Seaberg	Zaffke
Dimler	Heinitz	McEachern	Shaver	
Erickson	Himle	McKasy	Sherman	
Evans	Hoberg	Olsen	Stadum	
Findlay	Hokr	Omann	Sviggum	

Those who voted in the negative were:

Anderson, R.	Ellingson	Metzen	Rice	Swanson
Battaglia	Graba	Minne	Riveness	Tomlinson
Beard	Greenfield	Munger	Rodosovich	Tunheim
Begich	Gustafson	Murphy	Rodriguez, C.	Vanasek
Bergstrom	Hoffman	Nelson, D.	Rodriguez, F.	Vellenga
Berkelman	Jacobs	Neuenschwander	St. Onge	Voss
Brandl	Kahn	Norton	Sarna	Welch
Brinkman	Kalis	O'Connor	Scheid	Welle
Carlson, L.	Kelly	Ogren	Schoenfeld	Wenzel
Clark, J.	Knuth	Osthoff	Segal	Wynia
Clark, K.	Kostohryz	Otis	Simoneau	Speaker Sieben
Clawson	Krueger	Peterson	Skoglund	
Cohen	Larsen	Piper	Solberg	
Eken	Long	Price	Sparby	
Elioff	Mann	Quinn	Staten	

The motion did not prevail and the amendment was not adopted.



DenOuden offered an amendment to S. F. No. 1234, as amended.

POINT OF ORDER

Vanasek raised a point of order pursuant to section 402, paragraph 6, of "Mason's Manual of Legislative Procedure" that the amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order:

DenOuden moved to amend S. F. No. 1234, as amended, as follows:

Page 2, line 11, delete "\$920,539,300 \$973,469,400 \$1,894,008,700" and insert "\$919,599,300 \$971,569,400 \$1,891,168,700"

Page 2, line 20, delete "\$742,210,500 \$810,255,500" and insert "\$741,270,500 \$808,355,500"

Page 4, line 7, delete "626,328,000 693,317,200" and insert "625,388,000 691,417,200"

Page 4, line 14, delete "\$137,840,900 \$151,508,600" and insert "\$136,900,900 \$149,608,600"

Page 4, line 41, delete "five" and insert "four"

Page 4, line 42, delete "five" and insert "four"

A roll call was requested and properly seconded.

Cohen moved to amend the DenOuden amendment to S. F. No. 1234, as amended, as follows:

Add the following to the DenOuden amendment:

Page 35, line 18, strike "eight" and insert "four"

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 73 yeas and 44 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Battaglia	Begich	Bergstrom	Burger
Anderson, G.	Beard	Bennett	Brinkman	Carlson, D.

Carlson, L.	Johnson	Munger	Rodriguez, F.	Stadum
Clark, J.	Kahn	Nelson, D.	Rose	Staten
Clark, K.	Kalis	Nelson, K.	Sarna	Swanson
Cohen	Kelly	Neuenschwander	Schafer	Uphus
Coleman	Kostohryz	O'Connor	Schoenfeld	Valan
Dempsey	Krueger	Ogren	Seaberg	Valento
Dimler	Kvam	Olsen	Segal	Welch
Findlay	Larsen	Otis	Shea	Welker
Fjoslien	Ludeman	Peterson	Sherman	Welle
Graba	Marsh	Piepho	Simoneau	Wenzel
Greenfield	McDonald	Piper	Skoglund	Wigley
Hoffman	McEachern	Price	Solberg	
Jensen	Metzen	Redalen	Sparby	

Those who voted in the negative were:

Anderson, R.	Gruenes	Knuth	Pauly	Thiede
Bishop	Gustafson	Mann	Quinn	Tomlinson
Brandl	Gutknecht	McKasy	Quist	Tunheim
DenOuden	Haukoos	Minne	Reif	Vanasek
Eken	Heap	Murphy	Rice	Voss
Elioff	Heintz	Norton	Riveness	Waltman
Ellingson	Hoberg	Omänn	Rodosovich	Wynia
Evans	Jacobs	Onnen	St. Onge	Speaker Sieben
Forsythe	Jennings	Osthoff	Shaver	

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the DenOuden amendment, as amended by the Cohen amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 36 yeas and 87 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Erickson	Hokr	Ogren	Waltman
Bennett	Findlay	Jennings	Omänn	Welker
Burger	Fjoslien	Johnson	Piepho	Wigley
Carlson, D.	Frerichs	Kalis	Redalen	Zaffke
Cohen	Gutknecht	Kvam	Schafer	
Dempsey	Haukoos	Ludeman	Seaberg	
DenOuden	Heap	Marsh	Thiede	
Dimler	Hoberg	O'Connor	Valento	

Those who voted in the negative were:

Anderson, R.	Carlson, L.	Forsythe	Jensen	McEachern
Battaglia	Clark, J.	Graba	Kahn	Metzen
Beard	Clark, K.	Greenfield	Kelly	Minne
Begich	Clawson	Gruenes	Knuth	Munger
Bergstrom	Coleman	Gustafson	Kostohryz	Murphy
Berkelman	Eken	Heintz	Krueger	Nelson, D.
Bishop	Elioff	Himle	Larsen	Nelson, K.
Brandl	Ellingson	Hoffman	Long	Neuenschwander
Brinkman	Evans	Jacobs	Mann	Norton

Olsen	Quist	Scheid	Sparby	Vose
Onnen	Reif	Schoenfeld	Stadium	Welch
Osthoff	Rice	Segal	Staten	Welle
Otis	Riveness	Shaver	Swanson	Wenzel
Pauly	Rodosovich	Shea	Tomlinson	Wynia
Peterson	Rodriguez, C.	Sherman	Tunheim	Speaker Sieben
Piper	Rodriguez, F.	Simoneau	Valan	
Price	St. Onge	Skoglund	Vanasek	
Quinn	Sarna	Solberg	Veilenga	

The motion did not prevail and the amendment, as amended, was not adopted.

Heap moved to amend S. F. No. 1234, as amended, as follows:

Page 62, line 2, after "sections 3 and 8." delete the balance of the line

Page 62, delete lines 3 to 12 and insert: *"The commissioner is instructed to allocate no more than 5% for overall administration cost and disburse the balance 95% to small businesses for the purpose of job creation."*

A roll call was requested and properly seconded.

The question was taken on the amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 54 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Bennett	Forsythe	Jennings	Pauly	Shea
Bishop	Frerichs	Johnson	Piepho	Stadium
Blatz	Gruenes	Knickerbocker	Quist	Sviggum
Burger	Gutknecht	Kvam	Redalen	Thiede
Carlson, D.	Halberg	Ludeman	Reif	Uphus
Dempsey	Haukoos	Marsh	Rose	Valan
DenOuden	Heap	McDonald	Schafer	Valento
Dimler	Heinitz	McKasy	Schoenfeld	Waltman
Erickson	Himle	Olsen	Schreiber	Welker
Findlay	Hoberg	Omman	Seaberg	Wigley
Fjoslien	Hokr	Onnen	Shaver	

Those who voted in the negative were:

Anderson, B.	Carlson, L.	Ellingson	Kahn	Mann
Anderson, C.	Clark, J.	Evans	Kalis	McEachern
Anderson, R.	Clark, K.	Graba	Kelly	Metzen
Battaglia	Clawson	Greenfield	Knuth	Minne
Beard	Cohen	Gustafson	Kostohryz	Munger
Begich	Coleman	Hoffman	Krueger	Murphy
Brandl	Eken	Jacobs	Larsen	Neilson, D.
Brinkman	Elioff	Jensen	Long	Neilson, K.

Neuenschwander	Piper	Rodriguez, F.	Solberg	Vellenga
Norton	Price	St. Onge	Sparby	Voss
O'Connor	Quinn	Scheid	Staten	Welch
Ogren	Rice	Segal	Swanson	Welle
Osthoff	Riveness	Sherman	Tomlinson	Wenzel
Otis	Rodosovich	Simoneau	Tunheim	Wynia
Peterson	Rodriguez, C.	Skoglund	Vanasek	Speaker Sieben

The motion did not prevail and the amendment was not adopted.

Brinkman moved to amend S. F. No. 1234, as amended, as follows:

Page 19, after line 29, insert:

"Sec. 22. Laws 1982, chapter 614, section 13, is amended to read:

Sec. 13. [EFFECTIVE DATE.]

Sections 1, 3 to 7 and 11 are effective the day following enactment. Section 2 shall become effective for a specified provider group on March 1, 1983 if the commissioner of health certifies to the health and welfare committees of the house and senate that the voluntary efforts by the provider group to promote price competition and to implement the reporting requirements of section 2 have not made satisfactory progress. This certification shall take the form of a written report delivered to the chairmen of the house and senate committees by January 2, 1983. Notice of the date of the delivery shall be published in the state register. Sections 8 to 10 and 12 are effective (MARCH 15) *June 30, 1984.*"

Renumber subsequent sections

Amend the title as follows:

Page 95, line 29, after "1;" insert "Laws 1982, chapter 614, section 13;"

The motion prevailed and the amendment was adopted.

S. F. No. 1234, A bill for an act relating to the organization and operation of state government; appropriating money for welfare, corrections, health, and other purposes with certain conditions; providing appropriations for the departments of public welfare, economic security, corrections, health, sentencing guidelines commission, corrections ombudsman, and health related boards; providing an entitlement to certain child care services; increasing marriage license and dissolution fees; providing for distribution of federal maternal and child health block grant money; requiring cost increase limits and other cost

containment measures in medical care programs; amending eligibility standards; changing general assistance to allow flat grants, employment through grant diversion and work registration requirements, and federal benefit application incentives; providing for job training for certain persons; appropriating money for welfare, corrections, health, and other purposes with certain conditions; providing appropriations for the departments of public welfare, economic security, corrections, health, sentencing guidelines commission, corrections ombudsman, and health related boards; amending Minnesota Statutes 1982, sections 129A.03; 144.653, subdivision 2; 144A.04, subdivision 5; 144A.10, subdivision 2; 145.882; 145.921, subdivision 1; 245.62; 245.66; 245.83; 245.84, subdivisions 1, 2, and 5; 245.85; 245.86; 245.87; 256.045, subdivision 3; 256.82, by adding a subdivision; 256.966, subdivision 1; 256.968; 256B.02, subdivision 8; 256B.04, subdivision 14, and by adding a subdivision; 256B.06, subdivision 1; 256B.07; 256B.14, subdivision 2; 256B.17, subdivision 4, and by adding subdivisions; 256B.27, subdivision 3; 256B.48, by adding a subdivision; 256D.01, subdivision 1; 256D.02, subdivision 4; 256D.03, subdivisions 3 and 4, and by adding subdivisions; 256D.05, subdivision 1a; 256D.06, subdivision 5; 256D.09, subdivision 2, and by adding a subdivision; 260.191, subdivision 2; 260.242, subdivision 2; 261.23; 357.021, subdivisions 2 and 2a; 401.14, by adding a subdivision; 401.15, subdivision 1; 517.08, subdivisions 1b and 1c; proposing new law coded in Minnesota Statutes, chapters 145; 252; 256; 256B; 256D; and 268; repealing Minnesota Statutes 1982, sections 256D.02, subdivision 14; 256D.05, subdivision 1a; 256D.06, subdivision 1a; 256D.22; and Laws 1981, chapter 360, article II, section 54, as amended.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called.

Eken moved that those not voting be excused from voting. The motion prevailed.

There were 75 yeas and 58 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Clark, K.	Jacobs	Metzen	Otis
Anderson, G.	Clawson	Jensen	Minne	Peterson
Battaglia	Cohen	Kahn	Munger	Piper
Beard	Coleman	Kalis	Murphy	Price
Begich	Eken	Kelly	Nelson, D.	Quinn
Bergstrom	Elioff	Knuth	Nelson, K.	Rice
Berkelman	Ellingson	Kostohryz	Neuenschwander	Riveness
Brandl	Graba	Krueger	Norton	Rodosovich
Brinkman	Greenfield	Larsen	O'Connor	Rodriguez, C.
Carlson, L.	Gustafson	Long	Ogren	Rodriguez, F.
Clark, J.	Hoffman	Mann	Osthoff	St. Onge

Sarna	Simoneau	Staten	Vanasek	Welle
Scheid	Skoglund	Swanson	Vellenga	Wenzel
Segal	Solberg	Tomlinson	Voss	Wynia
Shea	Sparby	Tunheim	Welch	Speaker Sieben

Those who voted in the negative were:

Anderson, R.	Fjoslien	Jennings	Pauly	Stadum
Bennett	Forsythe	Johnson	Piepho	Sviggum
Bishop	Frerichs	Knickerbocker	Quist	Thiede
Blatz	Cruenes	Kvam	Redalen	Uphus
Burger	Gutknecht	Levi	Reif	Valan
Carlson, D.	Halberg	Ludeman	Rose	Valento
Dempsey	Haukeos	Marsh	Schafer	Waltman
DenOuden	Heap	McDonald	Schoenfeld	Welker
Dimler	Heinitz	McKasy	Schreiber	Wigley
Erickson	Himle	Olsen	Seaberg	Zaffke
Evans	Hoberg	Omann	Shaver	
Findlay	Hokr	Onnen	Sherman	

The bill was passed, as amended, and its title agreed to.

There being no objection the order of business reverted to Messages from the Senate.

#### MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 251, A bill for an act relating to retirement; police and salaried firefighters relief associations; modifying the governance of the trust funds after the local relief association ceases to exist; updating obsolete language; clarifying ambiguous language; amending Minnesota Statutes 1982, section 423A.01, subdivisions 2 and 4.

The Senate has appointed as such committee Messrs. Frederickson, Spear and Peterson, C. C.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on

the amendments adopted by the Senate to the following House File:

H. F. No. 521, A bill for an act relating to financial institutions; providing for the payment of hearing costs on contested applications; including credit union share insurance corporations and industrial loan and thrift guarantee issuers in the group of organizations permitted to receive examination reports; removing the requirement that a financial institution's board of directors hold qualifying shares; clarifying limitations on junior mortgage loans by banks; establishing application fees; removing a certain filing requirement; reducing the number of savings association incorporators; clarifying the notice requirements for savings association conversions; clarifying the industrial loan and thrift company lending limit and increasing the capital to deposit limitation; providing first installment requirements for regulated lenders and motor vehicle sales finance companies; providing credit insurance disclosure requirements for regulated lenders; clarifying financial corporation organizational requirements; amending Minnesota Statutes 1982, sections 45.04, subdivision 1; 46.07, subdivision 2; 47.54, subdivision 1; 48.06; 48.19, subdivision 1; 48.68; 49.36, subdivision 1; 49.37; 51A.03, subdivisions 1 and 4; 51A.065, subdivision 4; 51A.13, subdivisions 2 and 2a; 51A.23, subdivisions 6 and 7; 51A.51, subdivisions 2 and 3a; 52.203; 53.01; 53.03, subdivisions 1, 5, and 6; 53.04, subdivision 3a; 53.05; 53.06; 56.001, subdivision 3; 56.131, subdivision 1; 56.155, subdivision 1; 168.72, subdivision 1; 300.025; and 300.20; proposing new law coded in Minnesota Statutes, chapter 47.

The Senate has appointed as such committee Messrs. Solon, Laidig and Freeman.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVER, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 1259, A bill for an act relating to the operation of government in this state; modifying the definition of gross income; adopting federal definitions of itemized deductions; updating the references to the Internal Revenue Code; extending the duration of the temporary income tax surtax and changing its computation; modifying the deduction of federal income taxes; assigning certain gambling winnings by nonresidents to Minnesota; imposing withholding tax on certain gambling win-

nings and horse racing purses; repealing certain income tax credits for pollution control expenditures; limiting the subtraction for unemployment compensation; providing for timely payment of withholding income taxes; modifying the dependent care credit; providing for certain studies; changing the refund method for the sales tax on electricity used in agricultural production; clarifying the uses of funds from the non-game wildlife checkoff; making the six percent sales and use tax rate permanent; increasing the motor vehicle excise tax rate to six percent; modifying the enterprise zone law; providing for state tax incentives in enterprise zones; limiting the number of enterprise zones; reducing the corporate income tax rate; eliminating the deduction for certain income and franchise taxes paid by corporations; changing the deduction for corporate capital gains; providing small business investment credits; providing an additional research credit; modifying the definition of market value; requiring additional information on the certificate of value; mandating that homestead affidavits be filed in all counties; requiring that all contracts for deed be recorded; restricting the use of sales ratio studies as evidence; eliminating the agricultural mill rate credit on farm homes; increasing the agricultural mill rate credit on certain property and providing a maximum credit amount; clarifying the property classification for certain timber property; modifying the wetlands credit; modifying the utility property tax credit; changing certain property tax classification ratios; exempting contracts for deed from the mortgage registry tax and providing penalties for failure to file; exempting cities and towns with populations under 5,000 from levy limitations; modifying the method by which levy limitations are calculated; adding a special levy for certain county purposes; establishing a new homestead credit formula for certain homestead property; modifying the property tax refund formula and increasing the maximum credit; changing the payment dates for the property tax refund; altering the sales tax on liquor, wine, and beer; changing the excise tax credit on fermented malt beverages; delaying the effective date of the rent capitalization method used in assessing agricultural land; repealing the native prairie credit and reimbursement; repealing the wetlands reimbursement; modifying school district cash flow; establishing school aid payment dates for fiscal year 1985 and thereafter; requiring that property taxes be paid 15 days earlier; altering property tax settlement dates; modifying the local government aids distribution formula for counties, cities, and towns; phasing out attached machinery aids and reduced assessment aids; enacting the multi-state tax compact; changing the definition of basic cost of cigarettes for purposes of the unfair cigarette sales act; appropriating money; amending Minnesota Statutes 1982, sections 116J.42, subdivision 7; 124.2137, subdivision 1; 272.02, subdivision 1; 272.03, subdivision 8; 272.115, subdivision 1; 273.11, subdivision 1; 273.115, subdivisions 1, 2, and 3; 273.13, subdivisions 6, 6a, 7, 8a, 9, 11, 14a, 17, 17b, 17c, 20, and by adding a subdivision; 273.1312, subdivisions 2, 3, 4, and 5; 273.1313, subdivisions 1, 2, 3, and 5; 273.138, by adding a subdivision; 273.139, by adding a subdivision; 275.50, subdivision 2,



and by adding subdivisions; 275.51, by adding subdivisions; 275.53, by adding a subdivision; 276.09; 276.10; 276.11; 278.01, subdivisions 1 and 2; 278.03; 278.05, subdivisions 4 and 5; 279.01, subdivision 1; 287.05, subdivision 1; 290.01, subdivisions 19, 20, 20a, as amended, 20b, as amended, and 20f; 290.05, subdivision 6; 290.06, subdivisions 1, 2e, as amended, 11, and 14; 290.067, subdivisions 1 and 2; 290.068, by adding a subdivision; 290.09, subdivisions 1, 2, 3, as amended, 4, 5, 28, and 29; 290.091; 290.14; 290.16; subdivision 4; 290.17, subdivision 2; 290.18, subdivisions 1 and 2; 290.21, subdivisions 1 and 3; 290.23, subdivision 5; 290.31, subdivisions 2 and 3; 290.39, subdivision 2; 290.431; 290.46; 290.92, subdivisions 2a, 6, and by adding subdivisions; 290A.03, subdivisions 3, 6, 8, 11, 13, as amended, and by adding a subdivision; 290A.04, subdivisions 1, 2, 2a, 2b, and 3; 290A.07, subdivision 2a; 290A.16; 290A.18; 290A.19; 297A.02, as amended; 297A.03, subdivision 2, as amended; 297A.14, as amended; 297A.35, subdivision 3; 297B.02, as amended; 325D.32, subdivision 9; 340.14, subdivision 1; 340.47, subdivision 2; 473F.08, subdivision 7a; 477A.011, subdivisions 6, 7, 10, and by adding subdivisions; 477A.012; 477A.013; 477A.014, subdivision 1; and Laws 1981, First Special Session chapter 1, article II, section 25; and Third Special Session chapter 2, article III, section 22, as amended; proposing new law coded in Minnesota Statutes, chapters 116C; 124; 273; 290; 477A; and 507; repealing Minnesota Statutes 1982, sections 273.116; 273.138, subdivisions 1, 2, 3, 4, 5, and 6; 273.139, subdivisions 1 and 2; 273.42, subdivision 2; 273.425; 275.51, subdivisions 3e and 5; 290.01, subdivisions 23, 27, and 28; 290.032, subdivision 5; 290.06, subdivisions 9 and 9a; 290.077, subdivision 2; 290.08, subdivision 25; 290.09, subdivisions 10, 15, 22, and 27; 290.21, subdivision 3a; 290.501; 290A.07, subdivision 3; 340.986; 352C.07; 477A.011, subdivisions 8 and 9; and Laws 1982, chapter 523, article VII, section 3; and Third Special Session chapter 1, article V, section 4.

The Senate has appointed as such committee Messrs. Johnson, D. J.; Peterson, C. C., Ms. Berglin, Messrs. Dieterich and Novak.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1283, A bill for an act relating to the organization and operation of state government; appropriating money for education and related purposes to the department of education,

higher education coordinating board, state university board, state community college board, University of Minnesota, and the Mayo medical foundation, with certain conditions; establishing a state board of vocational technical education; providing it and certain independent and intermediate school districts operating vocational technical schools with certain powers and duties; changing the authority and duties of the above named agencies, or one or more of them, or certain of their advisory councils with respect to governance, duration of existence, disposition of property, employment and compensation of personnel, tuition, institutional closings, gifts, appropriations, parking fees, scholarships, grants-in-aid, planning, hospital charges, and related educational matters; amending Minnesota Statutes 1982, sections 43A.18, subdivision 4; 120.17, subdivision 7a; 121.212, subdivision 2; 121.931, subdivision 7; 121.934, subdivision 2; 123.742, by adding a subdivision; 123.743; 124.48; 125.05, by adding a subdivision; 136.03; 136.034; 136.11, subdivision 1; 136.144; 136.62, by adding a subdivision; 136.63, subdivision 1a; 136.67, by adding a subdivision; 136A.121; 136A.14; 136A.141; 136A.143; 136A.15; 136A.16; 136A.17; 136A.26; 136A.29, subdivisions 2 and 9; 136A.42; and 158.05; proposing new law coded in Minnesota Statutes, chapters 136 and 136A; proposing new law coded as Minnesota Statutes, chapter 135A; and 136C; repealing Minnesota Statutes 1982, sections 121.11, subdivision 1; 121.217; 121.902, subdivision 1a; 121.936, subdivision 6; 124.53; 136A.144; 136A.145; 136A.146; 136A.161; 136A.18; 136A.19; 136A.20; 136A.21; and 136A.22.

PATRICK E. FLAHAVEN, Secretary of the Senate

Rice moved that the House refuse to concur in the Senate amendments to H. F. No. 1233, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendment to:

S. F. No. 1003, A bill for an act relating to public welfare; establishing a medical assistance social health maintenance organization demonstration project; proposing new law coded in Minnesota Statutes, chapter 256B.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee Mr. Petty, Ms. Berglin and Mr. Knutson.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Brandl moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 1003. The motion prevailed.

#### ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1003:

Brandl, Onnen and Greenfield.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 289:

O'Connor, Osthoff and Kelly.

#### SPECIAL ORDERS

Eken moved that the bills on Special Orders for today be continued one day. The motion prevailed.

#### GENERAL ORDERS

Eken moved that the bills on General Orders for today be continued one day. The motion prevailed.

#### ADJOURNMENT

Eken moved that when the House adjourns today it adjourn until 12:00 noon, Thursday, May 12, 1983. The motion prevailed.

Eken moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:00 noon, Thursday, May 12, 1983.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

