STATE OF MINNESOTA

SEVENTY-SIXTH SESSION—1990

EIGHTIETH DAY

SAINT PAUL, MINNESOTA, THURSDAY, MARCH 29, 1990

The House of Representatives convened at 12:00 noon and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by Pastor Joe Schularick, United Lutheran Church, Frost, Minnesota.

The roll was called and the following members were present:

Abrams	Girard	Krueger	Onnen	Seaberg
Anderson, G.	Greenfield	Lasley	Orenstein	Segal
Anderson, R.	Gruenes	Lieder	Osthoff	Simoneau
Battaglia	Gutknecht	Limmer	Ostrom	Skoglund
Bauerly	Hartle	Long	Otis	Solberg
Beard	Hasskamp	Lynch	Ozment	Sparby
Begich	Haukoos	Macklin	Pappas	Stanius
Bennett	Hausman	Marsh	Pauly	Steensma
Bertram	Heap	McDonald	Pellow	Sviggum
Bishop	Henry	McEachern	Pelowski	Swenson
Blatz	Himle	McGuire	Peterson	Tjornhom
Boo	Hugoson	McLaughlin	Poppenhagen	Tompkins
Brown	Jacobs	McPherson	Price	Trimble
Burger	Janezich	Milbert	Pugh	Tunheim
Carlson, D.	Jaros	Miller	Quinn	Uphus
Carlson, L.	Jefferson	Morrison	Redalen	Valento
Carruthers	Jennings	Munger	Reding	Vellenga
Clark	Johnson, A.	Murphy	Rest	Wagenius
Cooper	Johnson, R.	Nelson, C.	Rice	Waltman
Dauner	Johnson, V.	Nelson, K.	Richter	Weaver
Dawkins	Kahn	Neuenschwander	Rodosovich	Welle
Dempsey	Kalis	O'Connor	Rukavina	Wenzel
Dille	Kelly	Ogren	Runbeck	Williams
Dorn	Kelso	Olsen, S.	Sarna	Winter
Forsythe	Kinkel	Olson, E.	Schafer	Spk. Vanasek
Frederick	Knickerbocker	Olson, K.	Scheid	
Frerichs	Kostohryz	Omann	Schreiber	

A quorum was present.

The Chief Clerk proceeded to read the Journal of the preceding day. Henry moved that further reading of the Journal be dispensed 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. 2545 and 2200 and S. F. Nos. 1758, 2493, 1874, 2433, 354 and 2012 have been placed in the members' files.

S. F. No. 354 and H. F. No. 596, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Rest moved that S. F. No. 354 be substituted for H. F. No. 596 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1874 and H. F. No. 1836, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Carruthers moved that the rules be so far suspended that S. F. No. 1874 be substituted for H. F. No. 1836 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2012 and H. F. No. 2087, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Olson, E., moved that S. F. No. 2012 be substituted for H. F. No. 2087 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2433 and H. F. No. 2614, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Lieder moved that the rules be so far suspended that S. F. No. 2433 be substituted for H. F. No. 2614 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2493 and H. F. No. 2589, which had been referred to the

Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Lynch moved that the rules be so far suspended that S. F. No. 2493 be substituted for H. F. No. 2589 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Ogren from the Committee on Taxes to which was referred:

H. F. No. 2007, A bill for an act relating to environment and natural resources; amending provisions relating to water management organizations; providing legislative commission oversight of the metropolitan water management act; providing for appointment of metropolitan watershed district managers from residents within the district; authorizing management and financing of drainage systems under certain laws; exempting certain water planning and implementation costs in the metropolitan area from levy limits; clarifying water management purposes; authorizing counties to remove watershed district managers for just cause; authorizing a technical advisory committee; requiring watershed management organizations to prepare newsletters, annual reports, and audits; providing for preparation of watershed plans and implementation of plans; providing penalties for not implementing plans; authorizing and directing the board of water and soil resources to adopt rules; providing for appeal of plan failures; providing for requests for proposals for certain services; authorizing accumulation of levy proceeds; authorizing establishment of a special tax district in certain areas; appropriating money; requiring a draining system report; amending Minnesota Statutes 1988, sections 110B.28; 110B.30; 112.42, subdivision 3; 473.875; 473.876, by adding a subdivision; 473.877, subdivision 1; 473.878, subdivisions 1, 1a, 2, 3, 4, 8, and by adding subdivisions; 473.879, subdivision 2; 473.881; 473.882, subdivision 1; and 473.883, subdivisions 3 and 7; Minnesota Statutes 1989 Supplement, section 473.883, subdivision 6; Minnesota Statutes Second 1989 Supplement, section 275.50, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 112 and 473.

Reported the same back with the following amendments:

Page 2, line 32, strike ", or if"

Page 2, line 33, strike everything before the comma

Page 3, line 1, delete "may" and insert "shall"

Pages 4 to 9, delete section 5

Page 21, line 9, delete "15" and insert "14"

Page 22, delete lines 21 to 26

Page 24, line 23, delete "7" and insert "6"

Page 24, line 28, delete "7 to 29" and insert "6 to 28"

Page 24, after line 32, insert:

"Sec 31. [EFFECTIVE DATE.]

Section 9, subdivisions 2 and 4, and section 19, are effective July 1, 1992."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, delete everything after the semicolon

Page 1, delete line 10

Page 1, line 11, delete everything before "clarifying"

Page 1, line 23, delete everything after the semicolon

Page 1, line 24, delete "district in certain areas;"

Page 1, line 29, after "4," insert "6,"

Page 1, line 33, delete everything after the semicolon

Page 1, line 34, delete everything before "proposing"

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

The report was adopted.

Osthoff from the Committee on Financial Institutions and Housing to which was referred:

H. F. No. 2770, A bill for an act relating to financial institutions; establishing a system for the evaluation and rating of community reinvestment by depository financial institutions owned by interstate bank holding companies; providing uniformity with federal financial institutions regulatory practices; regulating public disclosure of uniform rating; amending Minnesota Statutes 1988, sections 48.92, by adding a subdivision; 48.93, subdivision 3; and 48.97, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 47; repealing Minnesota Statutes 1988, section 48.99.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section 1. [47.80] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For purposes of sections 1 to 8, the terms defined in this section have the meanings given them.

Subd. 2. [FINANCIAL INSTITUTION.] "Financial institution" means banks, savings associations, savings banks, and trust companies with banking powers that are owned by an interstate holding company.

Subd. 3. [REINVESTMENT.] "Reinvestment" includes activities consistent with the purposes of the Community Reinvestment Act of 1977, United States Code, title 12, parts 2901 et. seq., and the reciprocal interstate banking act in sections 48.90 to 48.991.

Subd. 4. [INTERSTATE HOLDING COMPANY.] "Interstate holding company" means (a) an "interstate bank holding company" as defined in section 48.92, subdivision 9, clauses (a) and (b); and (b) a savings and loan holding company that has engaged in any of the transactions authorized in section 51A.58 and directly or indirectly owns an entity affected by or involved in such transaction.

Sec. 2. [47.81] [WRITTEN COMMUNITY REINVESTMENT EVALUATION REQUIRED.]

Subdivision 1. [EXAMINATION.] Upon the conclusion of each examination of a financial institution pursuant to section 46.04, the commissioner shall prepare a written evaluation of the financial institution's record of meeting the needs of its entire community,

including low- and moderate-income neighborhoods and developmental loans and developmental investments.

Subd. 2. [PUBLIC AND CONFIDENTIAL SECTIONS.] Each written evaluation required under subdivision 1 must have a public section and a confidential section.

Sec. 3. [47.82] [EVALUATION RATING SYSTEM.]

The public section of the written evaluation required by section 2 must:

(1) state the commissioner's conclusions for each assessment factor;

(2) discuss the facts supporting the conclusions; and

(3) contain the financial institution's rating and a statement describing the basis for the rating.

Sec. 4. [47.83] [FOUR-TIERED DESCRIPTIVE RATING SYSTEM.]

Subdivision 1. [ASSIGNED RATING.] The financial institution's rating referred to in section 47.82, clause (3), must be one of the following:

(1) outstanding record of meeting community credit needs;

(2) satisfactory record of meeting community credit needs;

(3) needs to improve record of meeting community credit needs; or

(4) substantial noncompliance in meeting community credit needs.

Subd. 2. [PUBLIC RATING DISCLOSED.] The ratings based on examinations on and after July 1, 1990, must be disclosed to the public.

Sec. 5. [47.84] [CONFIDENTIAL SECTION OF WRITTEN EVALUATION REPORT.]

Subdivision 1. [PRIVACY OF NAMED INDIVIDUALS.] The confidential section of the written evaluation must contain all references that identify a customer of the financial institution, an employee or officer of the financial institution, or a person or organization that has provided information in confidence to a

federal depository institution's regulatory agency or the department of commerce.

Subd. 2. [TOPICS NOT SUITABLE FOR DISCLOSURE.] The confidential section must also contain all statements obtained or made by the federal depository institution's regulatory agency or department of commerce in the course of an examination which, in the judgment of the commissioner, are too sensitive or speculative in nature to be disclosed to the public.

Subd. 3. [DISCLOSURE TO FINANCIAL INSTITUTION.] The entire confidential section must be disclosed to the financial institution.

Subd. 4. [EXEMPTION.] Treatment of information as confidential or public for purposes of this section is exempt from section 46.07, subdivision 2, to the extent that section conflicts with this act.

Sec. 6. [APPLICATION TO RECIPROCAL INTERSTATE BANKING ACT.]

The system of evaluation and uniform rating of financial institutions provided for in this act supersedes the reporting and rating system required by section 48.97, subdivisions 2, 3, and 4.

Sec. 7. Minnesota Statutes 1988, section 48.93, subdivision 3, is amended to read:

Subd. 3. [CRITERIA FOR APPROVAL.] Except as otherwise provided by rule of the department, an application filed pursuant to subdivision 1 must contain the following information:

(1) the identity, personal history, business background, and experience of each person by whom or on whose behalf the acquisition is to be made, including the person's material business activities and affiliations during the past five years, and a description of any material pending legal or administrative proceedings in which the person is a party and any criminal indictment or conviction of that person by a state or federal court;

(2) a statement of the assets and liabilities of each person by whom or on whose behalf the acquisition is to be made, as of the end of the fiscal year for each of the five years immediately preceding the date of the notice, together with related statements of income, sources, and application of funds for each of the fiscal years then concluded, all prepared in accordance with generally accepted accounting principles consistently applied, and an interim statement of the assets and liabilities for each person, together with related statements of income, source, and application of funds as of a date not more than 90 days prior to the date of the filing of the notice;

(3) the terms and conditions of the proposed acquisition and the manner in which the acquisition is to be made;

(4) the identity, source, and amount of the funds or other consideration to be used in making the acquisition, and if any part of these funds or other consideration has been or is to be borrowed or otherwise obtained for the purpose of making the acquisition, a description of the transaction, the names of the parties, and any arrangements, agreements, or understandings with those persons;

(5) any plans or proposals which an acquiring party making the acquisition may have to liquidate the bank, to sell its assets or merge it, or make any other major change in its business or corporate structure or management;

(6) the identification of any person employed, retained, or to be compensated by the acquiring party, or by any person on the acquiring party's behalf, to make solicitations or recommendations to stockholders for the purpose of assisting in the acquisition, and a brief description of the terms of the employment, retainer, or arrangement for compensation;

(7) copies of all invitations, tenders, or advertisements making tender offers to stockholders for purchase of their stock to be used in connection with the proposed acquisition;

(8) a statement of how the acquisition will bring "net new funds" to Minnesota. The description of net new funds must be filed with the application ~~and annually thereafter~~ stating the amount of capital funds, including the increase in equity capital that will result from the acquisition or establishment of a bank. The level of total equity capital must exceed $3,000,000 for a new chartered bank and $1,000,000 for an acquired bank. The description must state the net increase in loanable funds expressed as an increase in the total loan to asset ratio of Minnesota loans and assets. The statement must also include a discussion of initial capital investments, loan policy, investment policy, dividend policy, and the general plan of business, including the full range of consumer and business services which will be offered; and

(9) any additional relevant information in the form the commissioner requires by rule or by specific request in connection with any particular notice.

Sec. 8. [APPLICATION.]

Sections 1 to 7 apply to examinations of financial institutions begun on and after July 1, 1990.

ARTICLE 2

Section 1. [46.047] [DEFINITIONS.]

Subdivision 1. [WORDS, TERMS, AND PHRASES.] For the purposes of sections 1 and 2, the terms defined in this section have the meanings given them, unless the language or context clearly indicates that a different meaning is intended.

Subd. 2. [BANKING INSTITUTION.] The term "banking institution" means a bank, trust company, bank and trust company, mutual savings bank, or thrift institution, that is organized under the laws of this state.

Sec. 2. [46.048] [NOTICE OF PROPOSED ACQUISITION.]

Subdivision 1. [REQUIREMENT.] Whenever a change in the outstanding voting stock of a banking institution will result in control or in a change in the control of the banking institution, the person acquiring control of the banking institution shall file notice of the proposed acquisition of control with the commissioner of commerce at least 60 days before the actual effective date of the change. As used in this section, the term "control" means the power to directly or indirectly direct or cause the direction of the management or policies of the banking institution. A change in ownership of capital stock that would result in direct or indirect ownership by a stockholder or an affiliated group of stockholders of less than 25 percent of the outstanding capital stock is not considered a change of control. If there is any doubt as to whether a change in the outstanding voting stock is sufficient to result in control or to effect a change in the control, the doubt shall be resolved in favor of reporting the facts to the commissioner. The commissioner shall use the criteria established by the Financial Institution Regulatory and Interest Rate Control Act of 1987, United States Code, title 12, section 1817(j), and the regulations adopted under it, when reviewing the acquisition.

Subd. 2. [CONTENTS.] The notice required by subdivision 1 must contain the following information to the extent that it is known by the person making the notice: (1) the number of shares involved; (2) the names of the sellers or transferors; (3) the names of the purchasers or transferees; (4) the names of the beneficial owners if the shares are registered in another name; and (5) the total number of shares owned by the sellers or transferors, the purchasers, or transferees, and the beneficial owners both immediately before and after the transaction. In addition, the notice must contain other information as may be available to inform the commissioner of the effect of the transaction upon control of the banking institution whose stock is involved.

Subd. 3. [BACKGROUND CHECKS.] In addition to any other

information the commissioner may be able to obtain pursuant to section 13.82, the Minnesota bureau of criminal apprehension shall, upon the commissioner's request, provide fingerprint and background checks on all persons named in the notice required by subdivision 2.

ARTICLE 3

Section 1. Minnesota Statutes 1988, section 47.61, is amended by adding a subdivision to read:

Subd. 4a. "Minnesota transmission facility" means (1) a transmission facility which is owned or controlled by financial institutions located in Minnesota; (2) a transmission facility owned or controlled by a bank holding company or savings and loan holding company if domiciled or headquartered in Minnesota; or (3) a transmission facility established in Minnesota and approved by the commissioner under section 47.65, subdivision 1, as of the effective date of this act.

Sec. 2. Minnesota Statutes 1988, section 47.65, is amended by adding a subdivision to read:

Subd. 1a. A Minnesota transmission facility which is used by, or made available to, any other Minnesota transmission facility must be made available on fair, equitable, and nondiscriminatory terms to all other Minnesota transmission facilities upon request of such Minnesota transmission facility. Such person requesting use of a Minnesota transmission facility shall be permitted its use only if the person conforms to reasonable technical operating standards which have been established by the Minnesota transmission facility.

The charges required to be paid to any Minnesota transmission facility shall be related to the costs of establishing, operating, and maintaining such facility plus a reasonable return on those costs to the owner of the facility and may provide for amortization of development costs and capital expenditures over a reasonable period of time; provided such charges as may be separately determined and established from time to time by each Minnesota transmission facility are fair, equitable, and nondiscriminatory."

Delete the title and insert:

"A bill for an act relating to financial institutions; establishing a system for the evaluation and rating of community reinvestment by depository financial institutions owned by interstate holding companies; providing uniformity with federal financial institutions regulatory practices; regulating public disclosure of uniform rating; requiring notice to the commissioner of proposed acquisitions of control; regulating Minnesota transmission facilities; allowing

equal access by other transmission facilities; amending Minnesota Statutes 1988, sections 47.61, by adding a subdivision; 47.65, by adding a subdivision; and 48.93, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 46 and 47."

With the recommendation that when so amended the bill pass.

The report was adopted.

Ogren from the Committee on Taxes to which was referred:

H. F. No. 2786, A bill for an act relating to the environment; providing for the management and cleanup of tax-forfeited lands; requiring a report by the pollution control agency; amending Minnesota Statutes 1988, sections 115B.02, subdivision 11; 115B.03, by adding a subdivision; 115C.02, subdivision 8; 115C.021, by adding a subdivision; 116.49, by adding a subdivision; and 282.08; proposing coding for new law in Minnesota Statutes, chapter 282.

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

The report was adopted.

Ogren from the Committee on Taxes to which was referred:

S. F. No. 488, A bill for an act relating to public employment; defining equitable compensation relationships; requiring an implementation report; providing for review of plans; providing for appeals from decisions of the commissioner of employee relations; requiring the commissioner to report to the legislature; amending Minnesota Statutes 1988, sections 471.991, subdivision 5; 471.992, subdivisions 1, 2, and by adding a subdivision; 471.994; 471.998, by adding a subdivision; 471.9981, subdivision 6, and by adding subdivisions; and 471.999; Minnesota Statutes 1989 Supplement, section 485.018, subdivision 7; repealing Minnesota Statutes 1988, sections 471.992, subdivision 3; 471.995; 471.996; 471.9975; and 471.9981, subdivisions 2 to 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 471.991, subdivision 5, is amended to read:

Subd. 5. [EQUITABLE COMPENSATION RELATIONSHIP] "Equitable compensation relationship" means that ~~a primary consider~~

~~ation in negotiating, establishing, recommending, and approving total~~ the compensation for female-dominated classes is not consistently below the compensation for male-dominated classes of comparable work value ~~in relationship to other employee positions~~, as determined under section 471.994, within the political subdivision.

Sec. 2. Minnesota Statutes 1988, section 471.992, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] Subject to sections 179A.01 to 179A.25 and sections 177.41 to 177.44 but notwithstanding any other law to the contrary, every political subdivision of this state shall establish equitable compensation relationships between female-dominated, male-dominated, and balanced classes of employees in order to eliminate sex-based wage disparities in public employment in this state. A primary consideration in negotiating, establishing, recommending, and approving compensation is comparable work value in relationship to other employee positions within the political subdivision.

Sec. 3. Minnesota Statutes 1988, section 471.994, is amended to read:

471.994 [JOB EVALUATION SYSTEM.]

Every political subdivision shall use a job evaluation system in order to determine the comparable work value of the work performed by each class of its employees. The system must be maintained and updated to account for new employee classes and any changes in factors affecting the comparable work value of existing classes. A political subdivision that substantially modifies its job evaluation system or adopts a new system shall notify the commissioner. The political subdivision may use the system of some other public employer in the state. Each political subdivision shall meet and confer with the exclusive representatives of their employees on the development or selection of a job evaluation system.

Sec. 4. Minnesota Statutes 1988, section 471.998, is amended by adding a subdivision to read:

Subd. 3. [PUBLIC DATA.] The report required by subdivision 1 is public data governed by chapter 13.

Sec. 5. Minnesota Statutes 1988, section 471.9981, is amended by adding a subdivision to read:

Subd. 5a. [IMPLEMENTATION REPORT.] By January 31, 1992, each political subdivision shall submit to the commissioner an implementation report that includes the following information as of December 31, 1991:

(1) a list of all job classes in the political subdivision;

(2) the number of employees in each class;

(3) the number of female employees in each class;

(4) an identification of each class as male-dominated, female-dominated, or balanced as defined in section 471.991;

(5) the comparable work value of each class as determined by the job evaluation used by the subdivision in accordance with section 471.994;

(6) the minimum and maximum salary for each class, if salary ranges have been established, and the amount of time in employment required to qualify for the maximum;

(7) any additional cash compensation, such as bonuses or lump-sum payments, paid to the members of a class; and

(8) any other information requested by the commissioner.

If a subdivision fails to submit a report, the commissioner shall find the subdivision not in compliance with subdivision 6 and shall impose the penalty prescribed by that subdivision.

Sec. 6. Minnesota Statutes 1988, section 471.9981, is amended by adding a subdivision to read:

Subd. 5b. [PUBLIC DATA.] The implementation report required by subdivision 5a is public data governed by chapter 13.

Sec. 7. Minnesota Statutes 1988, section 471.9981, subdivision 6, is amended to read:

Subd. 6. [PENALTY FOR FAILURE TO IMPLEMENT PLAN.] ~~If~~ (a) The commissioner of employee relations ~~finds, after notice and consultation with a~~ shall review the implementation report submitted by a governmental subdivision~~, that it has failed to implement its plan for implementing~~ to determine whether the subdivision has established equitable compensation relationships as required by section 471.992, subdivision 1, by December 31, 1991, or the later date approved by the commissioner. The commissioner shall notify a subdivision found to have achieved compliance with section 471.992, subdivision 1.

(b) If the commissioner finds that the subdivision is not in compliance based on the information contained in the implementation report required by section 5, the commissioner shall notify the subdivision of the basis for the finding. The notice shall include a

detailed description of the basis for the finding, specific recommended actions to achieve compliance, and an estimated cost of compliance. If the subdivision disagrees with the finding, it shall notify the commissioner, who shall provide a specified time period in which to submit additional evidence in support of its claim that it is in compliance. The commissioner shall consider at least the following additional information in reconsidering whether the subdivision is in compliance:

(1) recruitment difficulties;

(2) retention difficulties;

(3) recent arbitration awards that are inconsistent with equitable compensation relationships; and

(4) information that can demonstrate a good-faith effort to achieve compliance and continued progress toward compliance, including any constraints the subdivision faces.

The subdivision shall also present a plan for achieving compliance and a date for additional review by the commissioner.

(c) If the subdivision does not make the changes to achieve compliance within a reasonable time set by the commissioner, the commissioner shall notify the subdivision and the commissioner of revenue that the subdivision is subject to a five percent reduction in the aid that would otherwise be payable to that governmental subdivision under section 124A.23, 273.1398, or sections 477A.011 to 477A.014, or to a fine of $100 a day, whichever is greatest. The commissioner of revenue shall enforce the penalty beginning in calendar year 1992 ~~shall be reduced by five percent; provided that the reduction in aid shall apply to~~ or in the first calendar year beginning after the date for implementation of the plan of a governmental subdivision for which the commissioner of employee relations has approved an implementation date later than December 31, 1991. However, the commissioner of revenue shall not enforce a penalty until after the end of the first regular legislative session after a report listing the subdivision as not in compliance has been submitted to the legislature under section 471.999. The penalty remains in effect until the subdivision achieves compliance. The commissioner of employee relations may ~~waive~~ suspend the penalty upon making a finding that the failure to implement was attributable to circumstances beyond the control of the governmental subdivision or to severe hardship, or that noncompliance results from factors unrelated to the sex of the members dominating the affected classes and that the subdivision is taking substantial steps to achieve compliance to the extent possible.

Sec. 8. Minnesota Statutes 1988, section 471.9981, is amended by adding a subdivision to read:

Subd. 7. [APPEAL.] A governmental subdivision may appeal the imposition of a penalty under subdivision 6 by filing a notice of appeal with the commissioner of employee relations within 30 days of the commissioner's notification to the subdivision of the penalty. An appeal must be heard as a contested case under sections 14.57 to 14.62. No penalty may be imposed while an appeal is pending.

Sec. 9. Minnesota Statutes 1988, section 471.999, is amended to read:

471.999 [REPORT TO LEGISLATURE.]

The commissioner of employee relations shall report to the legislature by January 1, ~~1986 on the information gathered from political subdivisions~~ of each year on the status of compliance with section 471.992, subdivision 1, by governmental subdivisions.

The report must include a list of the political subdivisions in compliance with section 471.992, subdivision 1, and the estimated cost of compliance. The report must also include a list of political subdivisions found by the commissioner to be not in compliance, the basis for that finding, recommended changes to achieve compliance, estimated cost of compliance, and recommended penalties, if any. The commissioner's report ~~shall~~ must include a list of ~~political~~ subdivisions ~~which~~ that did not comply with the reporting requirements of this section. The commissioner may request, and a subdivision shall provide, any additional information needed for the preparation of a report under this subdivision.

Sec. 10. Minnesota Statutes 1989 Supplement, section 485.018, subdivision 7, is amended to read:

Subd. 7. [APPEAL FROM RESOLUTION OF THE BOARD.] The court administrator of district court, if dissatisfied with the action of the county board in setting the amount of the court administrator's salary or the amount of the budget for the office of court administrator of district court, may appeal to the district court on the grounds that the determination of the county board in setting ~~such~~ the salary or budget was arbitrary, capricious, oppressive, or without sufficiently taking into account the extent of the responsibilities and duties of ~~said~~ the court administrator's office, and the court administrator's experience, qualifications, and performance. The appeal ~~shall~~ must be taken within 15 days after the date of the resolution setting ~~such~~ the salary or budget by serving a notice of appeal on the county auditor and filing ~~same~~ a copy with the court administrator of the district court. The court, either in term or vacation and upon ten ~~days~~ days' notice to the chair of the board, shall hear ~~such~~ the appeal. On the hearing of the appeal, the court shall review the decision or resolution of the board in a hearing de novo and may hear new or additional evidence, or the court may order the officer appealing and the board to submit briefs or other memoranda and

may dispose of the appeal on ~~such~~ those writings. If the court ~~shall find~~ finds that the board acted in an arbitrary, capricious, oppressive, or unreasonable manner, or without sufficiently taking into account the responsibilities and duties of the office of the court administrator, and the court administrator's experience, qualifications, and performance, it shall make ~~such~~ an order to take the place of the order appealed from as is justified by the record and shall remand the matter to the county board for further action consistent with the court's findings. It is prima facie evidence that the board did not act in an arbitrary, capricious, oppressive, or unreasonable manner or without taking into account the responsibilities and duties of the office of the court administrator, and the court administrator's experience, qualifications, and performance, if the board's action was in accordance with a job evaluation system under section 471.994. After determination of the appeal the county board shall proceed in conformity ~~therewith~~ with the court's order. This subdivision is not in effect from July 1, 1989, to July 1, 1991, with respect to the amount of the budget of the office of court administrator of district court.

Sec. 11. [REPEALER.]

Minnesota Statutes 1988, sections 471.992, subdivision 3; 471.996; and 471.9981, subdivisions 2, 3, 4, and 5, are repealed."

Delete the title and insert:

"A bill for an act relating to public employment; defining equitable compensation relationships; requiring an implementation report; providing for review of plans; providing for appeals from decisions of the commissioner of employee relations; requiring the commissioner to report to the legislature; amending Minnesota Statutes 1988, sections 471.991, subdivision 5; 471.992, subdivision 1; 471.994; 471.998, by adding a subdivision; 471.9981, subdivision 6, and by adding subdivisions; and 471.999; Minnesota Statutes 1989 Supplement, section 485.018, subdivision 7; repealing Minnesota Statutes 1988, sections 471.992, subdivision 3; 471.996; and 471.9981, subdivisions 2 to 5."

With the recommendation that when so amended the bill pass.

The report was adopted.

Long from the Committee on Rules and Legislative Administration to which was referred:

S. F. No. 1937, A bill for an act relating to health; establishing standards for safe levels of lead; requiring education about lead exposure; requiring lead assessments of certain residences; estab-

lishing standards for lead abatement; requiring rules; amending Minnesota Statutes 1988, section 116.52, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 1989 Supplement, sections 144.851 to 144.862.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 2770 and 2786 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 354, 1874, 2012, 2433, 2493, 488 and 1937 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Lieder, Seaberg and Steensma introduced:

H. F. No. 2812, A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

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

Schafer, Girard, Redalen, Boo and Jacobs introduced:

H. F. No. 2813, A resolution memorializing the President and Congress of the United States to enact legislation to open the cable industry to more competition in the marketplace.

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

Himle introduced:

H. F. No. 2814, A bill for an act relating to taxation; collection in bankruptcy proceedings; proposing coding for new law in Minnesota Statutes, chapter 270.

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

Himle introduced:

H. F. No. 2815, A bill for an act relating to health; establishing an exception to the moratorium on licensing of nursing home beds; amending Minnesota Statutes 1989 Supplement, section 144A.071, subdivision 3.

The bill was read for the first time and referred to the Committee on Health and Human Services.

HOUSE ADVISORIES

The following House Advisory was introduced:

Tjornhom; McPherson; Henry; Nelson, K., and McEachern introduced:

H. A. No. 47, A proposal to study the documentation required of districts offering special education.

The advisory was referred to the Committee on Education.

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 House File, herewith returned:

H. F. No. 1977, A bill for an act relating to veterans; providing for an executive director appointed by the veterans homes board; amending Minnesota Statutes 1988, section 198.004.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the following change in the membership of the Conference Committee on H. F. No. 257:

The name of Mr. Taylor has been stricken, and the name of Mr. Frederickson, D. R., has been added.

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. 1846, A bill for an act relating to prostitution; increasing penalties for certain patrons of prostitutes; providing that when a patron uses a motor vehicle during commission of an offense, that fact will be noted on the person's driving record; amending Minnesota Statutes 1988, sections 609.324, subdivisions 2, 3, and by adding subdivisions; and 609.3241.

The Senate has appointed as such committee:

Messrs. Pogemiller and McGowan, Ms. Flynn, Mr. Belanger and Ms. Reichgott.

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. 1857, A bill for an act relating to transportation; providing greater restrictions on eligibility of debarred persons for certain public contracts; increasing scope of interstate motor carrier registration agreements; amending Minnesota Statutes 1988, section 161.315, subdivisions 2 and 3; Minnesota Statutes 1989 Supplement, section 221.601, subdivision 1.

The Senate has appointed as such committee:

Mr. Vickerman, Mrs. Adkins and Mr. Frederick.

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. 2393, A bill for an act relating to consumer protection; regulating automatic garage door systems in residential buildings; providing standards; providing penalties and remedies; amending Minnesota Statutes 1989 Supplement, section 16B.61, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 325F.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Milbert moved that the House concur in the Senate amendments to H. F. No. 2393 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2393, A bill for an act relating to consumer protection; regulating automatic garage door systems in residential buildings; providing standards; providing penalties and remedies; amending Minnesota Statutes 1989 Supplement, section 16B.61, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 325F.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Carlson, L.	Gutknecht	Johnson, R.	Macklin
Anderson, G.	Carruthers	Hartle	Johnson, V.	Marsh
Anderson, R.	Clark	Hasskamp	Kahn	McDonald
Battaglia	Cooper	Haukoos	Kalis	McEachern
Bauerly	Dauner	Hausman	Kelly	McGuire
Beard	Dawkins	Heap	Kelso	McLaughlin
Begich	Dempsey	Henry	Kinkel	McPherson
Bennett	Dille	Himle	Knickerbocker	Milbert
Bertram	Dorn	Hugoson	Kostohryz	Miller
Bishop	Forsythe	Jacobs	Krueger	Morrison
Blatz	Frederick	Janezich	Lasley	Munger
Boo	Frerichs	Jaros	Lieder	Murphy
Brown	Girard	Jefferson	Limmer	Nelson, C.
Burger	Greenfield	Jennings	Long	Nelson, K.
Carlson, D.	Gruenes	Johnson, A.	Lynch	Neuenschwander

O'Connor	Pappas	Rice	Skoglund	Valento
Ogren	Pauly	Richter	Solberg	Vellenga
Olsen, S.	Pellow	Rodosovich	Sparby	Wagenius
Olson, E.	Pelowski	Rukavina	Stanius	Waltman
Olson, K.	Peterson	Runbeck	Steensma	Weaver
Omann	Poppenhagen	Sarna	Sviggum	Welle
Onnen	Price	Schafer	Swenson	Wenzel
Orenstein	Pugh	Scheid	Tjornhom	Williams
Osthoff	Quinn	Schreiber	Tompkins	Winter
Ostrom	Redalen	Seaberg	Trimble	Spk. Vanasek
Otis	Reding	Segal	Tunheim	
Ozment	Rest	Simoneau	Uphus	

The bill was repassed, as amended by the Senate, and its title agreed to.

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. 1985, A bill for an act relating to insurance; regulating cease and desist orders and communications with the department of commerce; amending Minnesota Statutes 1988, sections 45.027, subdivision 5; and 60A.17, by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Skoglund moved that the House concur in the Senate amendments to H. F. No. 1985 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1985, A bill for an act relating to insurance; regulating cease and desist orders and communications with the department of commerce; providing for a waiver of the 30-day waiting period for purchasing insurance from certain associations; amending Minnesota Statutes 1988, sections 45.027, subdivision 5; 60A.17, by adding a subdivision; and 62A.31, subdivision 1a.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Bauerly	Bertram	Brown	Carruthers
Anderson, G.	Beard	Bishop	Burger	Clark
Anderson, R.	Begich	Blatz	Carlson, D.	Cooper
Battaglia	Bennett	Boo	Carlson, L.	Dauner

Dawkins	Jennings	McPherson	Pellow	Sparby
Dempsey	Johnson, A.	Milbert	Pelowski	Stanius
Dille	Johnson, R.	Miller	Peterson	Steensma
Dorn	Johnson, V.	Morrison	Poppenhagen	Sviggum
Forsythe	Kahn	Munger	Price	Swenson
Frederick	Kalis	Murphy	Pugh	Tjornhom
Frerichs	Kelly	Nelson, C.	Quinn	Tompkins
Girard	Kelso	Nelson, K.	Redalen	Trimble
Greenfield	Kinkel	Neuenschwander	Reding	Tunheim
Gruenes	Knickerbocker	O'Connor	Rest	Uphus
Gutknecht	Kostohryz	Ogren	Rice	Valento
Hartle	Krueger	Olsen, S.	Richter	Vellenga
Hasskamp	Lasley	Olson, E.	Rukavina	Wagenius
Haukoos	Lieder	Olson, K.	Runbeck	Waltman
Hausman	Limmer	Omann	Sarna	Weaver
Heap	Long	Onnen	Schafer	Welle
Henry	Lynch	Orenstein	Scheid	Wenzel
Himle	Macklin	Osthoff	Schreiber	Williams
Hugoson	Marsh	Ostrom	Seaberg	Winter
Jacobs	McDonald	Otis	Segal	Spk. Vanasek
Janezich	McEachern	Ozment	Simoneau	
Jaros	McGuire	Pappas	Skoglund	
Jefferson	McLaughlin	Pauly	Solberg	

The bill was repassed, as amended by the Senate, and its title agreed to.

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. 2124, A bill for an act relating to traffic regulations; changing allowed dimensions of travel trailers; requiring brakes on certain vehicles weighing 3,000 pounds or more; amending Minnesota Statutes 1988, section 169.67, subdivision 3; Minnesota Statutes 1989 Supplement, sections 168.011, subdivision 8; and 169.67, subdivision 4.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Bertram moved that the House concur in the Senate amendments to H. F. No. 2124 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2124, A bill for an act relating to traffic regulations; changing allowed dimensions of travel trailers; requiring brakes on certain vehicles weighing 3,000 pounds or more; requiring a study and report; amending Minnesota Statutes 1988, section 169.67, subdivision 3; Minnesota Statutes 1989 Supplement, sections 168.011, subdivision 8; and 169.67, subdivision 4.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Krueger	Onnen	Seaberg
Anderson, G.	Greenfield	Lasley	Orenstein	Segal
Anderson, R.	Gruenes	Lieder	Osthoff	Simoneau
Battaglia	Gutknecht	Limmer	Ostrom	Skoglund
Bauerly	Hartle	Long	Otis	Solberg
Beard	Hasskamp	Lynch	Ozment	Sparby
Begich	Haukoos	Macklin	Pappas	Stanius
Bennett	Hausman	Marsh	Pauly	Steensma
Bertram	Heap	McDonald	Pellow	Sviggum
Bishop	Henry	McEachern	Pelowski	Swenson
Blatz	Himle	McGuire	Peterson	Tjornhom
Boo	Hugoson	McLaughlin	Poppenhagen	Tompkins
Brown	Jacobs	McPherson	Price	Trimble
Burger	Janezich	Milbert	Pugh	Tunheim
Carlson, D.	Jaros	Miller	Quinn	Uphus
Carlson, L.	Jefferson	Morrison	Redalen	Valento
Carruthers	Jennings	Munger	Reding	Vellenga
Clark	Johnson, A.	Murphy	Rest	Wagenius
Cooper	Johnson, R.	Nelson, C.	Rice	Waltman
Dauner	Johnson, V.	Nelson, K.	Richter	Weaver
Dawkins	Kahn	Neuenschwander	Rodosovich	Welle
Dempsey	Kalis	O'Connor	Rukavina	Wenzel
Dille	Kelly	Ogren	Runbeck	Williams
Dorn	Kelso	Olsen, S.	Sarna	Winter
Forsythe	Kinkel	Olson, E.	Schafer	Spk. Vanasek
Frederick	Knickerbocker	Olson, K.	Scheid	
Frerichs	Kostohryz	Omann	Schreiber	

The bill was repassed, as amended by the Senate, and its title agreed to.

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. 2374, A bill for an act relating to agriculture; changing the makeup of potato research and promotion councils; providing for the certification of seed potatoes; amending Minnesota Statutes 1988, section 17.54, subdivision 9; proposing coding for new law in Minnesota Statutes, chapter 21.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Bauerly moved that the House concur in the Senate amendments

to H. F. No. 2374 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2374, A bill for an act relating to agriculture; changing the makeup of potato research and promotion councils; amending Minnesota Statutes 1988, section 17.54, subdivision 9.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Krueger	Onnen	Seaberg
Anderson, G.	Greenfield	Lasley	Orenstein	Segal
Anderson, R.	Gruenes	Lieder	Osthoff	Simoneau
Battaglia	Gutknecht	Limmer	Ostrom	Skoglund
Bauerly	Hartle	Long	Otis	Solberg
Beard	Hasskamp	Lynch	Ozment	Sparby
Begich	Haukoos	Macklin	Pappas	Stanius
Bennett	Hausman	Marsh	Pauly	Steensma
Bertram	Heap	McDonald	Pellow	Sviggum
Bishop	Henry	McEachern	Pelowski	Swenson
Blatz	Himle	McGuire	Peterson	Tjornhom
Boo	Hugoson	McLaughlin	Poppenhagen	Tompkins
Brown	Jacobs	McPherson	Price	Trimble
Burger	Janezich	Milbert	Pugh	Tunheim
Carlson, D.	Jaros	Miller	Quinn	Uphus
Carlson, L.	Jefferson	Morrison	Redalen	Valento
Carruthers	Jennings	Munger	Reding	Vellenga
Clark	Johnson, A.	Murphy	Rest	Wagenius
Cooper	Johnson, R.	Nelson, C.	Rice	Waltman
Dauner	Johnson, V.	Nelson, K.	Richter	Weaver
Dawkins	Kahn	Neuenschwander	Rodosovich	Welle
Dempsey	Kalis	O'Connor	Rukavina	Wenzel
Dille	Kelly	Ogren	Runbeck	Williams
Dorn	Kelso	Olsen, S.	Sarna	Winter
Forsythe	Kinkel	Olson, E.	Schafer	Spk. Vanasek
Frederick	Knickerbocker	Olson, K.	Scheid	
Frerichs	Kostohryz	Omann	Schreiber	

The bill was repassed, as amended by the Senate, and its title agreed to.

Mr. Speaker:

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

S. F. No. 2618.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2618, A bill for an act relating to public administration; appropriating money or reducing appropriations to the higher education coordinating board, regents of the University of Minnesota, state university board, state board for community colleges, and state board of vocational technical education, with certain conditions; excepting notification of committee chairs on certain capital projects; establishing a community college at Cambridge; clarifying the duties and powers of the higher education coordinating board; authorizing tuition reciprocity agreements with contiguous Canadian provinces; establishing a state matching grant program to match private gifts to endowment funds; requiring administrative service plans for technical colleges under certain circumstances; changing permitted kinds of investments for the permanent university fund; permitting capital gains of the fund to be used to support endowed academic chairs; authorizing the purchase of a certain building by the state university board; requiring development of a consumer information system for occupational programs; regulating public post-secondary plans; requiring reports; adjusting contributions to state system retirement plans; amending Minnesota Statutes 1988, sections 136.60; 136.602; 136C.05, by adding a subdivision; 137.022, subdivisions 1 and 3; 352.92, subdivision 2; 352B.02, subdivision 1c; 353.27, subdivision 3a; and 354.42, subdivision 5; Minnesota Statutes 1989 Supplement, sections 16B.335, subdivision 2; 136A.04; 136A.08; 352.04, subdivisions 2 and 3; and 354B.04, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 136A; repealing Minnesota Statutes 1988, section 353.27, subdivision 3.

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, Carlson, L., moved that the rule therein be suspended and an urgency be declared so that S. F. No. 2618 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Carlson, L., moved that the Rules of the House be so far suspended that S. F. No. 2618 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 2618 was read for the second time.

Carlson, L., moved to amend S. F. No. 2618, as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section 1. [APPROPRIATIONS FOR HIGHER EDUCATION.]

The dollar amounts in the columns under "APPROPRIATIONS" are added to (or, if shown in parentheses, are subtracted from) the appropriations in Laws 1989, chapter 293, to the specified agencies. The appropriations are from the general fund or other named fund and are available for the fiscal years indicated for each purpose. The figure 1990 or 1991 means that the addition to or subtraction from the appropriations listed under the figure are for the fiscal year ending June 30, 1990, or June 30, 1991, respectively. If only one figure is shown in the text for a specified purpose, the addition or subtraction is for 1991 unless the context intends another fiscal year.

SUMMARY BY FUND

	1990	1991	TOTAL
GENERAL	$(9,783,400)	$(9,400,600)	$(19,184,000)

Summary by Agency—All Funds

Higher Education Coordinating Board	(9,783,400)	(3,554,200)	(13,337,600)
State Board of Vocational Technical Education		(1,387,700)	(1,387,700)
State Board for Community Colleges		(966,000)	(966,000)
State University Board		(1,729,300)	(1,729,300)
Regents of the University of Minnesota		(1,763,400)	(1,763,400)

	APPROPRIATIONS Available for the Fiscal Year Ending June 30	
	1990	1991
Sec. 2. HIGHER EDUCATION COORDINATING BOARD TOTAL	$(9,783,400)	$(3,554,200)

Subdivision 1. Agency Administration

	1990	1991
	$	$

A general reduction to the agency administration budget.

(17,100)

Of the biennial appropriation, $46,300 is for affiliate membership in the Western Interstate Compact on Higher Education.

During the biennium, the higher education coordinating board shall provide data to legislative research offices as necessary for research projects and studies. As a condition of receiving the data, the legislative research offices must enter into an agreement with the board to ensure that the research offices will not disclose any data that identifies individuals.

Subd. 2. State Grants

(9,783,400) (5,033,400)

If an unencumbered balance is projected in the appropriation for the state grant program after October 1, 1990, the HECB may transfer up to $500,000 to the appropriation for child care grants.

The HECB shall study ways to redefine the cost of living allowance to more accurately reflect actual costs of living. The board shall examine ways to develop cost of living categories to differentiate among students with different living arrangements and family responsibilities, including child care. The board shall examine whether other items involved in the cost of living should be used in determining categories. The board shall report its findings and recommendations to the education divisions of the house appropriations and senate finance committees by February 1, 1991.

The HECB shall examine the feasibility of using a student loan program,

	1990	1991
	$	$

including the SELF program, to assist students whose eligibility for child care grants has expired. The board shall report its findings and recommendations to the education divisions of the house appropriations and senate finance committees by February 1, 1991.

The HECB shall review the percentage of child care grant money authorized for administrative costs on campuses, report on its expenditures of this money, and make any recommendations for changing the percentage levels to the education divisions of the house appropriations and senate finance committees as part of its 1991 biennial budget request.

The HECB shall work with the Minnesota Association of Financial Aid Administrators to simplify the procedures and methods required to calculate child care grants. The HECB shall report on its progress towards simplification as part of its 1991 biennial budget request.

During the biennium, a campus, postsecondary system, or school district must not reallocate child care program administration money, unless the money is reallocated to child care grants.

During the biennium, the HECB shall amend its child care grant rules to include provisions for campuses that contract with counties for program administration. The rules shall make the campuses accountable for county decisions related to the program, and shall require the campuses to develop on-campus mechanisms for student appeals.

	1990	1991
	$	$
Subd. 3. Interstate Tuition Reciprocity		
	750,000	
Subd. 4. Rural Health Programs		
	700,000	

Of this amount, $500,000 is for physicians' loans, $100,000 is for nursing loans, and $100,000 is for nursing grants.

Subd. 5. The higher education coordinating board may transfer unencumbered balances from the appropriations in this section to the state grant appropriation. Before the transfer, the higher education coordinating board shall consult with the chairs of the house appropriations and senate finance committees.

Sec. 3. STATE BOARD OF VOCATIONAL TECHNICAL EDUCATION TOTAL	(1,387,700)
Subdivision 1. General Reduction	
(644,700)	

The legislature requests that the state board reallocate additional money for the aviation mechanics programs from existing internal sources and from non-state sources.

Subd. 2. Teacher Retirement Plan Employers' Contribution	
(793,000)	
Subd. 3. State Council on Vocational Technical Education	
50,000	
Sec. 4. STATE BOARD FOR COMMUNITY COLLEGES TOTAL	(966,000)

	1990	1991
	$	$
Subdivision 1. General Reduction		
(356,000)		
Subd. 2. Teacher Retirement Plan Employers' Contribution		
(610,000)		
Sec. 5. STATE UNIVERSITY BOARD TOTAL		(1,729,300)
Subdivision 1. General Reduction		
(657,300)		
Subd. 2. Teacher Retirement Plan Employers' Contribution		
(1,072,000)		
Subd. 3. Authorized Transfer		
The appropriation in Laws 1987, chapter 400, section 19, subdivision 4, item (c), may be used to acquire land adjacent to, or in the vicinity of, Moorhead State University as needed to develop the campus, and may be used to construct parking spaces on the campus.		
Sec. 6. BOARD OF REGENTS OF THE UNIVERSITY OF MINNESOTA TOTAL		(1,763,400)
Subdivision 1. General Reduction		
(1,709,400)		
Subd. 2. Teacher Retirement Plan Employers' Contribution		
(554,000)		
Subd. 3. Rural Physicians Associates Program		
500,000		

	1990	1991
	$	$

$500,000 is to increase participation in the rural physicians associates program. The Minnesota Medical Association shall assist the university's effort by locating the preceptors for the program. The board of regents shall report, as part of their 1991 biennial budget request, on the feasibility of increasing the program to approximately 40 students per year, on the need to increase the subsidy per student, and on the cost implications of these increases.

Sec. 7. POST-SECONDARY SYSTEMS

The public post-secondary governing boards, the department of finance, and the department of administration shall develop jointly a set of detailed criteria to assist the legislature in making decisions on child care facility requests. The boards and departments shall submit a joint report to the education divisions of the house appropriations and senate finance committees by March 1, 1991.

ARTICLE 2

Section 1. [LEGISLATIVE INTENT.]

During the biennium, to ensure fiscal responsibility and to protect current levels of academic quality and funding, the legislature intends that greater oversight be given to the development and establishment of off-campus post-secondary centers, permanent sites, and other large-scale or long-term operations that are intended to provide academic programs, courses, or student services.

Sec. 2. Minnesota Statutes 1989 Supplement, section 135A.06, subdivision 3, is amended to read:

Subd. 3. [SYSTEM PLANS.] Each system shall develop a program plan for instruction, research, and public service. Each system shall consult with the higher education coordinating board and with the other systems throughout the planning process. The higher education coordinating board shall coordinate intersystem efforts in the

development of the program plans to achieve intersystem cooperation and differentiation.

Each planning report shall consider at least the following elements:

(1) a statement of program priorities for undergraduate, graduate, and professional education, including data about program cost and average class size within each institution;

(2) the effects of proposed programmatic and enrollment changes on other systems and campuses;

(3) a review of plans for adjusting the number of facilities, staff, and programs to projected level of demand, including consideration of campus and program mergers, campus and program closings, new governance structures, the relationship between fixed costs and projected enrollment changes, and consolidation of institutions, services, and programs that serve the same geographic area under different governing boards;

(4) a review of the current and projected use of community outreach and extension programs ~~including information~~ on all off-campus sites, including at least information for each site from the inventory established in section 9;

(5) enrollment projections for two, five, and ten years based on recent available projections produced by the higher education coordinating board or, if different projections are used, they shall be compared to those prepared by the higher education coordinating board, and the system shall identify the method and assumptions used to prepare its projections;

(6) estimated financial costs and savings of alternative plans for adjusting facilities, staff, and programs to changing enrollments and fiscal resources;

(7) opportunities for providing services cooperatively with other public and private institutions in the same geographic area; and

(8) differentiating and coordinating missions to reduce or eliminate duplication of services and offerings, to improve delivery of services, and to establish clear and distinct roles and priorities.

Sec. 3. Minnesota Statutes 1989 Supplement, section 135A.06, is amended by adding a subdivision to read:

Subd. 6. [SUBMISSION TO LEGISLATURE.] A public postsecondary governing board shall submit the information on off-campus sites required in subdivision 3, clause (4), to the legislature

with its biennial budget request in odd-numbered years, and shall update the information with its supplemental budget request in the even-numbered years. The board shall provide detailed information on the use of state appropriated funds in support of each site, including information on the effects on campuses of funding off-campus sites.

Sec. 4. Minnesota Statutes 1989 Supplement, section 136.03, is amended by adding a subdivision to read:

Subd. 3. The state board and the state universities must not establish any off-campus centers or other permanent sites located off state university campuses to provide academic programs, courses, or student services without authorizing legislation. For the purposes of this subdivision, the campus of Metropolitan State University is the seven-county metropolitan area.

Sec. 5. Minnesota Statutes 1988, section 136.62, is amended by adding a subdivision to read:

Subd. 8. The state board and the community colleges must not establish any off-campus centers or other permanent sites located off community college campuses to provide academic programs, courses, or student services without authorizing legislation.

Sec. 6. Minnesota Statutes 1989 Supplement, section 136A.04, subdivision 1, is amended to read:

Subdivision 1. The higher education coordinating board shall:

(1) continuously study and analyze all phases and aspects of higher education, both public and private, and develop necessary plans and programs to meet present and future needs of the people of the state;

(2) continuously engage in long-range planning for the needs of higher education and, if necessary, cooperatively engage in planning with neighboring states and agencies of the federal government;

(3) act as successor to any committee or commission previously authorized to engage in exercising any of the powers and duties prescribed by sections 136A.01 to 136A.07;

(4) review, approve or disapprove, make recommendations, and identify priorities with respect to all proposals for new or additional programs or large-scale or permanent sites of instruction or ~~substantial~~ changes in existing programs or large-scale or permanent sites to be established in or offered by, the University of Minnesota, the state universities, the community colleges, technical institutes, and private collegiate and noncollegiate post-secondary institutions.

The board shall forward its recommendations on sites to the house appropriations and senate finance committees. The board shall also periodically review existing programs and recommend discontinuing or modifying any existing program. When reviewing sites and new or existing programs, the board shall consider whether the program is unnecessary, a needless duplication of existing programs, beyond the capability of the system or institution considering its resources, or beyond the scope of the system or institutional mission;

(5) develop in cooperation with the post-secondary systems, house appropriations committee, senate finance committee, and the departments of administration and finance, a compatible budgetary reporting format designed to provide data of a nature to facilitate systematic review of the budget submissions of the University of Minnesota, the state university system, the community college system, and the technical institutes, which includes the relating of dollars to program output;

(6) review budget requests, including plans for construction or acquisition of facilities of the University of Minnesota, the state universities, the community colleges, and technical institutes for the purpose of relating present resources and higher educational programs to the state's present and long-range needs; and conduct a continuous analysis of the financing of post-secondary institutions and systems, including the assessments as to the extent to which the expenditures and accomplishments are consistent with legislative intent;

(7) obtain from private post-secondary institutions receiving state funds a report on their use of those funds;

(8) continuously monitor and study the transferability between Minnesota post-secondary and higher education institutions of credits earned for equal and relevant work at those institutions, the degree to which credits earned at one institution are accepted at full value by the other institutions, and the policies of these institutions concerning the placement of these transferred credits on transcripts; and

(9) prescribe policies, procedures, and rules necessary to administer the programs under its supervision.

Sec. 7. Minnesota Statutes 1988, section 136C.04, is amended by adding a subdivision to read:

Subd. 20. The state board and the technical colleges must not establish any off-campus centers or other permanent sites located off technical college campuses to provide academic programs, courses, or student services without authorizing legislation.

Sec. 8. [137.40] [OFF-CAMPUS SITES AND CENTERS.]

The board of regents and the university campuses are requested to not establish any off-campus centers or other permanent sites located off university campuses to provide academic programs, courses, or student services without authorizing legislation.

Sec. 9. [INVENTORY.]

Subdivision 1. [HECB.] By November 1, 1990, the higher education coordinating board shall compile an inventory of all existing off-campus sites and centers for each post-secondary system and institution that includes at least the following information: total full year equivalent and head count enrollment, number of course offerings in each field of study, degrees available and number awarded, location and type of facilities, leasing or other arrangements and cost, and the amount and sources of funding.

Subd. 2. [HEAC.] The higher education advisory council shall work with the higher education coordinating board to determine categories of off-campus sites and criteria to use in placing sites within categories.

Subd. 3. [HECB.] The higher education coordinating board, and the post-secondary governing boards, shall review the categories and criteria and the information included in the inventory to determine whether these are sufficient for incorporating into system planning activities and enhanced program review activities. As part of its review, the HECB shall examine the courses and programs offered to determine the amount of duplication among the systems and the level of their cooperative efforts. The HECB shall report its findings and recommendations to the appropriations and finance committees by January 15, 1991.

Sec. 10. [CONDITIONS.]

(a) The state university board, the state board for community colleges, the state board of vocational technical education, and their respective campuses must not enter into new long-term lease arrangements, significantly increase the course offerings at off-campus sites, or significantly increase staffing levels for off-campus sites between the effective date of this section and the end of the 1990-1991 academic year. A current long-term lease may be renewed if it expires during this period. The board of regents is requested to abide by these conditions until the end of the 1990-1991 academic year.

(b) This section does not apply to actions of Metropolitan State University that are part of its plan to consolidate its sites in the seven-county metropolitan area. The state university board shall

consult with the chairs of the house appropriations and senate finance committees in carrying out its plans.

Sec. 11. [EFFECTIVE DATES.]

Subdivision 1. Sections 1, 4, 5, and 7 to 10 are effective the day following final enactment.

Subd. 2. Section 6 is effective July 1, 1991.

ARTICLE 3

Section 1. [136A.135] [CITATION.]

Sections 136A.135 to 136A.1355 may be cited as the "education for new and continuing nurses act."

Sec. 2. [136A.1351] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] In sections 136A.135 to 136A.1355, the definitions in this section apply.

Subd. 2. "Advanced practice nurse" means a registered nurse who has graduated from a program of study designed to prepare the individual for advanced practice as a nurse practitioner, nurse midwife, clinical nurse specialist in psychiatric mental health, master's degree prepared public health nurse, or nurse anesthetist.

Subd. 3. A "designated rural area" means a Minnesota community outside a ten mile radius of a "Ranally" area which community (1) has more than 2,000 persons per physician, including seasonal variation; and (2) has requested assistance from the higher education coordinating board in finding a nurse for their community.

Subd. 4. A "Ranally area" means a central city or cities and any adjacent built-up areas, plus other communities not connected by continuously built-up areas if population density exceeds 60 persons per square mile and the work force of the communities significantly depends on the central city or cities.

Sec. 3. [136A.1352] [PRE-NURSING GRANTS.]

Subdivision 1. [ESTABLISHMENT.] The higher education coordinating board shall provide grants to students who are entering or enrolled in registered nurse or licensed practical nurse programs, who have no previous nursing training or education, and who agree to practice in a designated rural area.

Subd. 2. [ELIGIBILITY.] (a) To be eligible to receive a grant, a student must be:

(1) a resident of the state of Minnesota;

(2) enrolled in a Minnesota school or college or program of nursing to complete an educational program that would lead to the student's first licensure as a licensed practical nurse or as a registered nurse;

(3) willing to agree to serve at least three of the first five years following licensure in a designated rural area; and

(4) able to meet the financial need criteria established in section 136A.121 and board rules.

(b) The grant must be awarded for one academic year, but is renewable for a maximum of six semesters or nine quarters of full-time study, or their equivalent, but cannot continue after receipt of the nursing degree or certificate.

Subd. 3. [PRIORITY.] If insufficient funds are available to meet the needs of all eligible applicants, the board must give priority to applicants who reside in a designated rural area and applicants attending post-secondary institutions outside the seven-county metropolitan area.

Subd. 4. [DETERMINATION OF NEED; AMOUNT OF AWARD.] The determination of a student's need and the amount of a grant award must be based on the criteria established in section 136A.121 and related board rules.

Sec. 4. [136A.1353] [NURSING GRANT PROGRAM FOR LICENSED PRACTICAL NURSES.]

Subdivision 1. [ESTABLISHMENT.] A nursing grant program is established under the authority of the higher education coordinating board to provide grants to: (1) prospective nursing students to enter into an educational program that would lead to licensure as a licensed practical nurse; and (2) licensed practical nurses to enter into an educational program that would lead to licensure as a registered nurse.

Subd. 2. [ELIGIBILITY.] (a) To be eligible to receive a grant, a student must be:

(1) a resident of the state of Minnesota;

(2) enrolled in a Minnesota school or college of nursing to complete an educational program that would lead to licensure as a licensed practical nurse or be a licensed practical nurse enrolled in a

Minnesota school or college of nursing to complete an educational program that would lead to licensure as a registered nurse; and

(3) eligible under any additional criteria established by the school, college, or program of nursing education in which the student is enrolled.

(b) The grant must be awarded for one academic year but is renewable for a maximum of six semesters or nine quarters of full-time study, or their equivalent.

Subd. 3. [RESPONSIBILITY OF NURSING PROGRAMS.] Each nursing school, college, or program of nursing education that wishes to participate in the nursing grant program must apply to the higher education coordinating board for money, according to rules and policies established by the board. A nursing school, college, or program of nursing education must establish criteria to use in awarding the grants. The criteria must include consideration of the likelihood of a student's success in completing the nursing program and must give priority to: (1) students with the greatest financial need; and (2) students enrolling in educational programs leading to licensure as a licensed practical nurse. Grants must be for a minimum of $500, but must not exceed $2,500 per year. Each nursing school, college, or program of nursing education shall establish procedures for students to apply for and receive grants.

Subd. 4. [RESPONSIBILITIES OF THE HIGHER EDUCATION COORDINATING BOARD.] The higher education coordinating board shall distribute funds each year to the nursing schools, colleges, or programs of nursing education applying to participate in the nursing grant program based on the last academic year's enrollment of students in educational programs that would lead to licensure as a licensed practical nurse. Money not used by a recipient nursing program must be returned to the higher education coordinating board for redistribution under this section. The board shall establish an application process for interested nursing schools, colleges, or programs of nursing education. Initial applications are due by January 1, 1991, and by January 1 of each later year. By March 1, 1991, and by March 1 of each later year, the board shall notify each applicant nursing school, college, or program of nursing education of its approximate allocation of funds in order to allow the program to determine the number of students that can be supported by the allocation. The board shall distribute funds to the nursing schools, colleges, or programs of nursing education by August 1, 1991, and by August 1 of each later year.

Subd. 5. [FUNDING.] The nursing grant program is funded as provided in the 1990 health and human services supplemental appropriations act.

Subd. 6. [REPORT.] The nursing schools, colleges, or programs of

nursing education participating in the nursing grant program shall report to the higher education coordinating board on their program activity as requested by the board.

Subd. 7. [SUNSET.] This section is repealed on June 30, 1995.

Sec. 5. [136A.1354] [NURSING GRANT PROGRAM FOR REGISTERED NURSES.]

Subdivision 1. [ESTABLISHMENT.] The higher education coordinating board shall provide grants to registered nurses seeking to complete baccalaureate or master's degrees in nursing or a program of advanced nursing education.

Subd. 2. [ELIGIBILITY.] To be eligible to receive a grant, a student must be:

(1) licensed as a registered nurse in Minnesota and have been employed as a nurse in the state for at least one year before re-enrolling in college;

(2) a resident of the state of Minnesota;

(3) enrolled in a Minnesota school or college of nursing to complete a baccalaureate or master's degree, or a program of advanced nursing education; and

(4) eligible under any additional criteria established by the school or college of nursing, or program of advanced nursing education, in which the student is enrolled.

The grant must be awarded for one academic year but is renewable for a maximum of six semesters or nine quarters of full-time study, or their equivalent.

Subd. 3. [RESPONSIBILITY OF NURSING PROGRAMS.] Each nursing school, college, or program of advanced nursing education that wishes to participate in the nursing grant program must apply to the higher education coordinating board for money, according to rules and policies established by the board. A nursing school, college, or program of advanced nursing education must establish criteria to use in awarding the grants. The criteria must include consideration of the likelihood of a student's success in completing the nursing program and must give priority to: (1) students with the greatest financial need; and (2) students enrolling to complete baccalaureate degrees. Grants must be for a minimum of $500, but must not exceed $2,500 per year. Each nursing school, college, or program of advanced nursing education shall establish procedures for students to apply for and receive grants.

Subd. 4. [RESPONSIBILITIES OF THE HIGHER EDUCATION COORDINATING BOARD.] The higher education coordinating board shall distribute funds each year to the nursing schools, colleges, or programs of advanced nursing education applying to participate in the nursing grant program based on the last academic year's enrollment of registered nurses in schools or colleges of nursing, or programs of advanced nursing education. Money not used by a recipient nursing program must be returned to the higher education coordinating board for redistribution under this section. The board shall establish an application process for interested nursing schools, colleges, or programs of advanced nursing education. Initial applications are due by January 1, 1991, and by January 1 of each later year. By March 1, 1991, and by March 1 of each later year, the board shall notify each applicant nursing school, college, or program of advanced nursing education of its approximate allocation of money to allow the program to determine the number of students that can be supported by the allocation. The board shall distribute money to the nursing schools, colleges, or programs of advanced nursing education by August 1, 1991, and by March 1 of each later year.

Subd. 5. [FUNDING.] The nursing grant program is funded as provided in the health and human services 1990 supplemental appropriations act.

Subd. 6. [REPORT.] The nursing schools, colleges, or programs of advanced nursing education participating in the nursing grant program shall report to the higher education coordinating board on their program activity as requested by the board.

Subd. 7. [SUNSET.] This section is repealed on June 30, 1995.

Sec. 6. [136A.1355] [EDUCATION ACCOUNT FOR RURAL ADVANCED PRACTICE NURSES.]

Subdivision 1. [CREATION OF ACCOUNT; DEFINITION OF ADVANCED PRACTICE NURSE.] An education account for rural advanced practice nurses is established. Money from the account must be used by the higher education coordinating board to establish a loan forgiveness program for advanced practice nurses who agree to practice in designated rural areas.

Subd. 2. [ELIGIBILITY.] To be eligible to participate in the program, a registered nurse planning to enroll in a program of study designed to prepare the individual to become an advanced practice nurse shall submit a letter of interest to the higher education coordinating board before enrolling in the program of advanced practice. Before completing the first year of advanced study a registered nurse shall sign a contract to agree to serve at least one of the first two years following completion of the program of advanced study in a designated rural area, as defined in section 2.

Subd. 3. [LOAN FORGIVENESS.] The loan forgiveness program may accept up to ten applicants per year. Applicants are responsible for securing their own loans. For each year of advanced study, for up to two years, applicants chosen to participate in the loan forgiveness program may designate an agreed amount, not to exceed $5,000, as a qualified loan. For each year that a participant serves as an advanced practice nurse in a designated rural area, up to a maximum of two years, the higher education coordinating board shall annually pay an amount equal to one year of qualified loans and the interest accrued on these loans. Participants who move from one designated rural area to another, but continue to work as an advanced practice nurse, remain eligible for loan repayment.

Subd. 4. [PENALTY FOR NONFULFILLMENT.] If a participant does not fulfill the required one year minimum commitment of service in a designated rural area, the higher education coordinating board shall collect from the participant 100 percent of the qualified loans and interest paid, plus a penalty of 50 percent of the qualified loans and interest paid. The higher education coordinating board shall deposit the money collected in the education fund for rural advanced practice nurses. The board shall allow waivers of all or part of the money owed the board if emergency circumstances prevented fulfillment of the one year service commitment.

Sec. 7. [136A.136] [RURAL PHYSICIAN EDUCATION ACCOUNT.]

Subdivision 1. [CREATION OF ACCOUNT.] A rural physician education account is established. Money from the fund must be used by the higher education coordinating board to establish a loan forgiveness program for medical students agreeing to practice in designated rural areas.

Subd. 2. [DEFINITIONS.] (a) In this section, the definitions in this subdivision apply.

(b) A "designated rural area" means any Minnesota community outside a ten-mile radius of a "Ranally" area which: (1) has more than 2,000 persons per physician, including seasonal variation; and (2) has requested assistance from the higher education coordinating board in finding a physician for their community.

(c) A "Ranally area" means a central city or cities and any adjacent built-up areas, plus other communities not connected by continuously built-up areas if population density exceeds 60 persons per square mile and the work force of the community or communities significantly depends on the central city or cities.

Subd. 3. [ELIGIBILITY.] To be eligible to participate in the program, a prospective physician shall submit a letter of interest to the higher education coordinating board while attending medical

school. Before completing the first year of residency a student or resident shall sign a contract to agree to serve at least three of the first five years following residency in a designated rural area, as defined in this section.

Subd. 4. [LOAN FORGIVENESS.] The loan forgiveness program may accept up to ten applicants per year. Applicants are responsible for securing their own loans. For each year of medical school, for up to five years, applicants chosen to participate in the loan forgiveness program may designate an agreed amount, not to exceed $10,000, as a qualified loan. For each year that a participant serves as a physician in a designated rural area, up to a maximum of five years, the higher education coordinating board shall annually pay an amount equal to one year of qualified loans and the interest accrued on these loans. Participants who move their practice from one designated rural area to another remain eligible for loan repayment.

Subd. 5. [PENALTY FOR NONFULFILLMENT.] If a participant does not fulfill the required three year minimum commitment of service in a designated rural area, the higher education coordinating board shall collect from the participant 100 percent of the qualified loans and interest paid, plus a penalty of 50 percent of the qualified loans and interest paid. The higher education coordinating board shall deposit the money collected in the rural physician education fund. The board shall allow waivers of all or part of the money owed the board if emergency circumstances prevented fulfillment of the three-year service commitment.

Sec. 8. [HECB EVALUATION.]

The higher education coordinating board shall evaluate the programs established in sections 1 to 7. The initial evaluation shall examine the progress in establishing the programs and shall be reported to the education divisions of the house appropriations and senate finance committees by February 1, 1991. Beginning in 1992, the HECB shall report to the divisions each February 1 on the operation of each program, including whether the program is achieving its goals, and the board shall make recommendations regarding whether the program shall be terminated or changed.

Sec. 9. [RULES.]

The higher education coordinating board shall develop rules, including emergency rules if necessary, to implement the programs in sections 1 to 7.

ARTICLE 4

Section 1. [299A.41] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The definitions used in this section apply in this chapter.

Subd. 2. [DEPENDENT CHILD.] A "dependent child" means a person who is unmarried and who was either living with or was receiving support contributions from the public safety officer at the time of death, including a child by birth, a stepchild, an adopted child, or a posthumous child, and who is:

(1) under 18 years of age;

(2) over 18 years of age and incapable of self-support because of physical or mental disability; or

(3) over 18 years of age and a student as defined by United States Code, title 5, section 8101.

Subd. 3. [KILLED IN THE LINE OF DUTY.] "Killed in the line of duty" does not include deaths from natural causes.

Subd. 4. [PUBLIC SAFETY OFFICER.] "Public safety officer" includes:

(1) a peace officer defined in section 626.84;

(2) a correction officer employed at a correctional facility and charged with maintaining the safety, security, discipline, and custody of inmates at the facility;

(3) a firefighter employed on a full-time basis by the state or by a fire department of a governmental subdivision of the state, who is engaged in the hazards of firefighting;

(4) a legally enrolled member of a volunteer fire department or member of an independent nonprofit firefighting corporation who is engaged in the hazards of firefighting;

(5) a good samaritan while complying with the request or direction of a public safety officer to assist the officer;

(6) a reserve police officer or a reserve deputy sheriff while acting under the supervision and authority of a political subdivision;

(7) a driver or attendant with a licensed basic or advanced life support transportation service who is engaged in providing emergency care; and

(8) a first responder who is certified by the commissioner of health to perform basic emergency skills before the arrival of a licensed ambulance service and who is a member of an organized service

recognized by a local political subdivision to respond to medical emergencies to provide initial medical care before the arrival of an ambulance.

Subd. 5. [SPOUSE.] "Spouse" means a person legally married to the decedent at the time of the decedent's death.

Sec. 2. [299A.42] [PUBLIC SAFETY OFFICERS BENEFIT ACCOUNT.]

The public safety officers benefit account is created in the state treasury. Money in the account consists of money transferred and appropriated to that account.

Sec. 3. [299A.43] [ELIGIBILITY DETERMINATION; CONTESTED CASE.]

A challenge to a determination of eligibility by the commissioner of public safety must be heard as a contested case, except that the decision of the administrative law judge is binding on the parties to the proceeding. The order of the administrative law judge is the final decision of the commissioner. The hearing must be conducted according to sections 14.56 to 14.62 and is subject to appeal according to sections 14.63 to 14.68.

Sec. 4. [299A.44] [DEATH BENEFIT.]

On certification to the governor by the commissioner of public safety that a public safety officer employed within this state has been killed in the line of duty, leaving a spouse or one or more eligible dependents, the commissioner of finance shall pay $100,000 from the public safety officers benefit account, as follows:

(1) if there is no dependent child, to the spouse;

(2) if there is no spouse, to the dependent child or children in equal shares;

(3) if there are both a spouse and one or more dependent children, one-half to the spouse and one-half to the child or children, in equal shares;

(4) if there is no surviving spouse or dependent child or children, to the parent or parents dependent for support on the decedent, in equal shares; or

(5) if there is no surviving spouse, dependent child, or dependent parent, then no payment may be made from the public safety officers benefit fund.

Sec. 5. [299A.45] [EDUCATION BENEFIT.]

Subdivision 1. [ELIGIBILITY.] Following certification under section 4 and compliance with this section and rules of the commissioner of public safety and the higher education coordinating board, dependent children less than 23 years of age and the surviving spouse of a public safety officer killed in the line of duty on or after January 1, 1973, are eligible to receive educational benefits under this section. To qualify for an award, they must be enrolled in undergraduate degree or certificate programs after June 30, 1990, at a Minnesota public post-secondary institution or a private, residential, two-year or four-year, liberal arts, degree granting college or university located in Minnesota. Persons who have received a baccalaureate degree are no longer eligible.

Subd. 2. [AWARD AMOUNT.] (a) The amount of the award is:

(1) for public institutions, the actual tuition and fees charged by the institution, or

(2) for private institutions the lesser of (i) the actual tuition and fees charged by the institution or (ii) the highest tuition and fees charged by a public institution in Minnesota.

(b) An award under this subdivision must not affect a recipient's eligibility for a state grant under section 136A.121.

Subd. 3. [PAYMENT.] On proof of eligibility for this program, an eligible institution, on behalf of the student, shall request payment of the award from the higher education coordinating board. An institution must not request payment unless the student is enrolled in or has completed the term for which the payment is intended.

Subd. 4. [RENEWALS.] Each award must be given for one academic year and is renewable for a maximum of six semesters or nine quarters or their equivalent. An award must not be given after the recipient has obtained a baccalaureate degree or has been enrolled full-time or the equivalent for eight semesters or 12 quarters, whichever occurs first. An award must not be given to a dependent child who is 23 years of age or older on the first day of the academic year.

Sec. 6. [299A.46] [RULES.]

The commissioner of public safety may adopt rules, including emergency rules, under chapter 14 to implement, coordinate, and administer sections 1 to 4. The higher education coordinating board may adopt rules, including emergency rules, to implement, coordinate, and administer section 5.

Sec. 7. [REPORTS.]

By February 1, 1991, the commissioner of public safety shall report to the house appropriations and senate finance committees on the use of the educational benefits provisions and on any recommendations to change these provisions. The higher education coordinating board shall report on its expenditures as part of its 1991 biennial budget request.

Sec. 8. [REPEALER.]

Minnesota Statutes 1988, sections 176B.01, as amended by Laws 1989, chapter 289, section 2; 176B.02; 176B.03; 176B.04; and 176B.05, are repealed.

Sec. 9. [MONEY SET ASIDE.]

The higher education coordinating board shall set aside $100,000 appropriated for the state grant program under Minnesota Statutes, section 136A.121 for the purpose of section 5.

Sec. 10. [EFFECTIVE DATES.]

Sections 1 to 4, 6, and 8 are effective the day following final enactment. Section 5 is effective July 1, 1990, and applies to all eligible surviving dependents and spouses of public safety officers killed in the line of duty on or after January 1, 1973.

ARTICLE 5

Section 1. [136A.0411] [COLLECTING FEES.]

The higher education coordinating board may charge fees for seminars, conferences, workshops, services, and materials. The money is annually appropriated to the board. As part of its biennial budget request, the board shall report the fees it has collected, the sources of the fees, and the manner in which the fees were spent.

Sec. 2. Minnesota Statutes 1989 Supplement, section 136A.08, is amended to read:

136A.08 [RECIPROCAL AGREEMENTS RELATING TO NONRESIDENT TUITION WITH OTHER STATES OR PROVINCES.]

Subdivision 1. [AUTHORIZATION.] The Minnesota higher education coordinating board may enter into agreements, on subjects that include remission of nonresident tuition for designated categories of students at public post-secondary institutions, with appropriate state or provincial agencies and public post-secondary

institutions in other states or provinces. The agreements shall be for the purpose of the mutual improvement of educational advantages for residents of this state and other states or provinces with whom agreements are made.

Subd. 1a. [WISCONSIN.] A higher education reciprocity agreement with the state of Wisconsin may include provision for the transfer of funds between Minnesota and Wisconsin provided that an income tax reciprocity agreement between Minnesota and Wisconsin is in effect for the period of time included under the higher education reciprocity agreement. If this provision is included, the amount of funds to be transferred shall be determined according to a formula which is mutually acceptable to the board and a duly designated agency representing Wisconsin. The formula shall recognize differences in tuition rates between the two states and the number of students attending institutions in each state under the agreement. Any payments to Minnesota by Wisconsin shall be deposited by the board in the general fund of the state treasury. The amount required for the payments shall be certified by the executive director of the higher education coordinating board to the commissioner of finance annually.

Subd. 2. [NORTH DAKOTA; SOUTH DAKOTA.] A reciprocity agreement with North Dakota may include provision for the transfer of funds between Minnesota and North Dakota. If provision for transfer of funds between the two states is included, the amount of funds to be transferred shall be determined according to a formula which is mutually acceptable to the board and a duly designated agency representing North Dakota. In adopting a formula, the board shall consider tuition rates in the two states and the number of students attending institutions in each state under the agreement. Any payment to Minnesota by North Dakota shall be deposited by the board in the general fund. The amount required for the payments shall be certified by the executive director of the higher education coordinating board to the commissioner of finance annually. All provisions in this subdivision pertaining to North Dakota shall also be applied to South Dakota, and all authority and conditions granted for higher education reciprocity with North Dakota are also granted for higher education reciprocity with South Dakota.

Subd. 3. [FINANCIAL AID.] The board may enter into an agreement, with a state or province with which it has negotiated a reciprocity agreement for tuition, to permit students ~~from both states~~ to receive student aid awards from the student's state or province of residence for attending an eligible institution in the other state or province.

Subd. 4. [GOVERNING BOARD APPROVAL.] An agreement made by the board under this section is not valid as to a particular

institution without the approval of that institution's state or provincial governing board.

Sec. 3. Minnesota Statutes 1988, section 136C.08, subdivision 2, is amended to read:

Subd. 2. Any fee established by the board ~~pursuant to~~ under the authority granted in subdivision 1 ~~shall not exceed $1 per day per vehicle~~ must be approved by the state board. Parking fees collected shall be deposited in the general or repair and betterment fund of the school district or joint school district.

Sec. 4. Minnesota Statutes 1988, section 137.022, subdivision 1, is amended to read:

Subdivision 1. [INVESTMENT.] The investment management of the permanent university fund shall be under the jurisdiction of the board of regents of the University of Minnesota, subject to any limitations imposed by the Constitution of the state of Minnesota, article XI, section 9. All securities and cash held in the state treasury credited to the permanent university fund that are unappropriated or unencumbered are transferred and appropriated to the board of regents of the University of Minnesota solely for the purpose of investment by them~~, with the restriction that all such investment transactions be handled through the supervision of investment counselors, bank trust departments, or insurance companies which are organized, licensed, or have registered offices within the state of Minnesota or have agreed in writing to conduct such securities transactions and investment counseling under Minnesota law and the rules established by the department of commerce. These~~. The investments ~~shall~~ be are restricted to those ~~authorized as eligible for use in the Minnesota postretirement investment fund, section 11A.18, with the exception that corporate debt securities may be used to the extent of 80 percent of the portfolio~~ the state board of investment may invest in under section 11A.24.

Sec. 5. Minnesota Statutes 1988, section 137.022, subdivision 3, is amended to read:

Subd. 3. [ENDOWED CHAIRS.] (a) The income from the permanent university fund must be used, and realized and unrealized capital gains of the fund may be used, to ~~help endow~~ provide endowment support for professorial chairs in academic disciplines. ~~This income~~ The endowment support for the chairs from the income and the capital gains must not total more than six percent per year of the 36-month trailing average market value of the fund, as computed quarterly or otherwise as directed by the regents. The endowment support from the income and the capital gains must not provide more than half the sum of the ~~endowments~~ endowment support for all chairs endowed, with nonstate sources providing the

remainder. The endowment support from the income and the capital gains may provide more than half the endowment support of an individual chair.

(b) If any portion of the annual appropriation ~~that~~ in subdivision 2 of the income is not used for ~~this~~ the purpose specified in paragraph (a), that portion lapses and must be added to the principal of the permanent university fund.

Sec. 6. Laws 1989, chapter 293, section 2, subdivision 2, is amended to read:

Subd. 2. Agency Administration

$3,900,000 $2,972,000

(a) The optometry and osteopathy contract program for students who were in the program in the 1986-1987 academic year must be discontinued on June 30, 1990. No new students may be admitted.

(b) As part of its 1991 biennial budget request, the HECB shall report its recommendations for improvements to the SELF program.

(c) Notwithstanding Laws 1987, chapter 401, section 33, the task force on post-secondary quality assessment may continue for the 1989-1991 biennium. The task force membership may be expanded to include public members appointed by the higher education advisory council from nominees submitted by the HECB.

(d) No further funding of the enterprise development centers shall be provided through the HECB. The Greater Minnesota Corporation may provide funding for the centers.

(e) $150,000 for the biennium is for matching grants to post-secondary institutions that submit acceptable proposals for campus community service projects emphasizing students performing as tutors or mentors to their

younger peers. Campus community service projects attempt to instill in students the value of civic involvement and the belief that each student's community service can make a difference in the community. The HECB may award up to 20 grants. To receive a grant, a recipient must match the grant amount from any resources available to the institution. The state grant is for a staff person on each recipient's campus to coordinate student community service involvement. Up to $25,000 of the appropriation may be used for HECB administration, coordination, training, consultation, and evaluation costs. The legislature intends the grant program to be phased out at the end of the biennium to be replaced by 100 percent funding by the recipient institutions from any resources available to the institution.

(f) The HECB shall undertake the second phase of the study of post-secondary needs in the state, as provided in Laws 1988, chapter 703, article 1, section 2, subdivision 3. This phase must concentrate on those parts of the state outside the St. Cloud to Rochester population corridor. The HECB may contract for portions of the study, as necessary, but is not subject to Minnesota Statutes, chapter 16B. Before proceeding with the request for proposals, the HECB shall consult with the post-secondary systems, institutions, and other relevant agencies to locate studies and market analyses that could be used in conducting phase 2. The study must focus on (1) an assessment of the current and future conditions and needs; (2) strategies to meet these needs; (3) costs associated with the strategies; and (4) effects of the strategies on existing institutions, state policies, quality of education, improvement of intersystem cooperation, reduction of duplication, and system and institutional missions.

The study should include consideration of at least the following concerns: the current and projected demographic and participation trends; current levels and types of services available; and needs of traditional and nontraditional students; ~~the geographical accessibility of services needed by different types of students; uses of alternative delivery systems, instructional technology, cooperative efforts, and reciprocity agreements; relationships between postsecondary institutions and business; and the physical capacity of existing institutions. The study shall analyze attendance patterns and may include market surveys~~. The HECB shall report the findings of the study to the education and finance committees of the senate and the education and appropriations committees of the house by December 1, 1990. By January 1, 1991, the HECB shall review and comment on each of the strategies proposed in the study. In submitting the findings of phase 2, the board shall relate them to the results of phase 1 and their implications for statewide policy.

The study shall serve as the 1990 intersystem plan as required in Minnesota Statutes, section 135A.06, subdivision 2.

(g) The HECB shall analyze and make recommendations on plans submitted for providing undergraduate and practitioner-oriented graduate programs in the seven-county metropolitan area. By February 1, 1990, the HECB shall report on its recommendations to the education and finance committees of the senate and the education and appropriations committees of the house.

Sec. 7. Laws 1989, chapter 293, section 2, subdivision 3, is amended to read:

Subd. 3. State Scholarships and Grants

$69,044,000 $82,644,000

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

During the biennium, the higher education coordinating board may ask the commissioner of finance to loan general fund money to the scholarship and grant account to ease cash flow difficulties. The higher education coordinating board must first certify to the commissioner that there will be adequate refunds to the account to repay the loan. The commissioner shall use the refunds to make repayment to the general fund of the full amount loaned. Money necessary to meet cash flow difficulties in the state scholarship and grant program is appropriated to the commissioner of finance for loans to the higher education coordinating board.

This appropriation contains money for increasing living allowances for state scholarships and grants to $3,170 for the first year and $3,465 for the second year.

$2,000,000 each year is for child care grants. For the biennium, the board may determine a reasonable percentage of the appropriation to be used for the administrative costs of the agency and the campuses.

The HECB shall report to the education divisions of the house appropriations and senate finance committees on the academic progress and persistence of state scholarship and grant program recipients by February 1, 1990.

The HECB shall examine and make recommendations on the use of post-secondary scholarships and other mechanisms to provide incentives to students to pursue International Baccalaureate degrees. In making its recommendations, the HECB shall include an analysis of the cost of a

scholarship program and whether these scholarships would be an appropriate use of state funds.

The HECB may use up to $250,000 of the appropriation in each year to provide grants for Minnesota resident students participating in the Akita program. Grants must be awarded on the same basis as other state grants, except that the cost of attendance shall be adjusted to incorporate the state university tuition level and the travel, room and board, books, and fees associated with the Akita ~~fee level~~ program. An individual grant must not exceed the state grant maximum award for a student at a four-year private college. The HECB and the state university board shall report on these grants in the 1991 biennial budget document.

By February 15, 1990, the HECB shall report to the education divisions of the senate finance and the house appropriations committees on implementation of procedures to recover overpayment of state scholarship and grant awards. The report shall cover overpayments for the 1988-1989 academic year and shall include at least the following information for each case for which recovery of an overpayment is sought:

(1) the reason for the overpayment;

(2) the manner in which the overpayment was discovered;

(3) the amount of the overpayment;

(4) the recovery plan proposed by the HECB;

(5) whether the case was brought to court and, if so,

(a) why the case was brought to court,

(b) the cost to the HECB of bringing the case to court, and

(c) whether the HECB recovered costs and attorney fees; and

(6) the disposition, including the amount of the overpayment recovered and the amount of time elapsed from the time the overpayment was discovered to the time a repayment agreement was reached.

The report shall not include any information identifying the students involved.

Sec. 8. [LEASE AGREEMENT.]

The state university board may enter into a lease agreement for use of Lourdes Hall, located on the campus of the former college of St. Teresa in Winona, to establish and operate a residential college program. The agreement must include an option to purchase. Notwithstanding Minnesota Statutes, section 16B.24, subdivision 6, the lease agreement may be for the number of years necessary, but not more than 20 years, for the operation of the program. Before entering into the agreement, the board shall consult with the chairs of the senate finance and house appropriations committees. The agreement is not valid unless it includes a clause reserving the exclusive right of the state to terminate by nonappropriation.

Sec. 9. [CONSUMER INFORMATION SYSTEM.]

The public post-secondary state governing boards, and private post-secondary colleges and occupational and technical institutions that enroll recipients of state grants, shall develop a consumer information system for occupational programs. The system must be based on student placement and must include all subbaccalaureate occupational programs and all programs that lead to an occupation requiring certification, licensure, or testing for entry. The first phase of the system must include all subbaccalaureate occupational programs. The higher education coordinating board must coordinate the development of the system and must report on it to the education divisions of the house appropriations and the senate finance committees by February 15, 1991.

Sec. 10. [SYSTEM PLANNING.]

Subdivision 1. [HECB.] As part of its role in coordinating the continuing work on MSPAN 1 and to reduce duplication and

improve the efficient delivery of quality services to students, the higher education coordinating board shall examine the current status of system governance and mission differentiation. It further shall examine whether courses and programs are offered currently in the appropriate system. The board shall recommend any change it deems necessary or advisable in governance, mission differentiation, and program location. The board shall consult with the post-secondary systems in its examination. It shall report its findings and recommendations as part of its reporting process in subdivision 2.

Subd. 2. [ALL SYSTEMS.] Notwithstanding Minnesota Statutes, section 135A.06, in place of system plans, the public post-secondary systems shall submit plans for providing undergraduate and practitioner-oriented graduate programs in the seven-county metropolitan area to the higher education coordinating board.

As one part of the planning process, each public post-secondary governing board shall review its current mission statement. Each board shall determine whether the statement accurately reflects its mission and the role of its system in the mission differentiation efforts, and recommend any changes its statement requires. The boards shall submit their mission statements and recommendations to the higher education coordinating board with their metropolitan area plans by December 1, 1990.

The higher education coordinating board shall review and comment on the plans and mission statements and report to the legislature and governor by February 15, 1991.

Sec. 11. [EFFECTIVE DATE.]

Sections 1 and 4 to 10 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to education; appropriating money or reducing appropriations to the higher education coordinating board, regents of the University of Minnesota, state university board, state board for community colleges, and state board of vocational technical education, with certain conditions; expressing intent for greater oversight of off-campus post-secondary centers; clarifying the duties and powers of the higher education coordinating board; providing for financial aid for nurses and certain rural health personnel and dependents of certain public safety officers; authorizing rules; changing permitted kinds of investments for the permanent university fund; permitting capital gains of the fund to be used to support endowed academic chairs; authorizing the lease of a certain building by the state university board; requiring development of a consumer information system for occupational programs; adjusting contribu-

tions to certain state system retirement plans; requiring plans and reports; amending Minnesota Statutes 1988, sections 136.62, by adding a subdivision; 136C.04, by adding a subdivision; 136C.08, subdivision 2; and 137.022, subdivisions 1 and 3; Minnesota Statutes 1989 Supplement, sections 135A.06, subdivision 3, and by adding a subdivision; 136.03, by adding a subdivision; 136A.04, subdivision 1; and 136A.08; Laws 1989, chapter 293, section 2, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapters 136A; 137; and 299A; repealing Minnesota Statutes 1988, sections 176B.01, as amended; 176B.02; 176B.03; 176B.04; and 176B.05."

The motion prevailed and the amendment was adopted.

Lasley moved to amend S. F. No. 2618, as amended, as follows:

Page 32, after line 19, insert:

"ARTICLE 6

Section 1. Minnesota Statutes 1988, section 136.60, is amended to read:

136.60 [ESTABLISHMENT OF COMMUNITY COLLEGES, LOCATION.]

Subdivision 1. Not to exceed ~~18~~ 19 community colleges are established under the management, jurisdiction, and control of the state board for community colleges.

Subd. 3. The community colleges shall be located at Coon Rapids, Austin, Brainerd, Cambridge, Fergus Falls, Hibbing, Inver Grove Heights, Grand Rapids, White Bear Lake, Virginia, Minneapolis, Bloomington, Brooklyn Park, Thief River Falls, International Falls, Rochester, Ely, Willmar, and Worthington.

Sec. 2. Minnesota Statutes 1988, section 136.602, is amended to read:

136.602 [ADDITIONAL COMMUNITY COLLEGES.]

In addition to the community colleges authorized in section 136.60, two community colleges are established under the jurisdiction of the state board for community colleges, one of which shall be located at Fairmont and the other at a site to be designated by the state board for community colleges at one of the sites recommended by the higher education coordinating board; namely, Alexandria, ~~Cambridge,~~ Hutchinson, New Ulm and Owatonna. This direction

does not imply rejection of the remaining named sites, nor does it preclude legislative selection of alternative or additional sites.

Sec. 3. [REPORT TO LEGISLATURE.]

The state board of community colleges shall report in the 1991 biennial budget document, recommendations for the appropriate administrative structure for the Cambridge Community College established under section 9. In making its recommendations, the board shall review the combined administrative structure for the community colleges located in the Arrowhead and Clearwater regions of the state. Until these recommendations have been reviewed and approved by the legislature, the present administrative structure of the Cambridge center must be continued."

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Lasley amendment and the roll was called. There were 46 yeas and 77 nays as follows:

Those who voted in the affirmative were:

Bauerly	Hasskamp	Kinkel	Olson, K.	Tjornhom
Beard	Henry	Knickerbocker	Onnen	Uphus
Bertram	Hugoson	Lasley	Peterson	Vellenga
Boo	Jacobs	Limmer	Quinn	Waltman
Carlson, D.	Jaros	Lynch	Rest	Weaver
Carruthers	Jefferson	McEachern	Rukavina	Wenzel
Clark	Jennings	Murphy	Runbeck	
Cooper	Johnson, A.	Nelson, C.	Scheid	
Dauner	Johnson, R.	Nelson, K.	Stanius	
Greenfield	Kelso	Ogren	Swenson	

Those who voted in the negative were:

Abrams	Girard	Marsh	Pappas	Simoneau
Anderson, G.	Gruenes	McDonald	Pauly	Skoglund
Anderson, R.	Gutknecht	McGuire	Pellow	Solberg
Battaglia	Hartle	McLaughlin	Pelowski	Steensma
Begich	Haukoos	McPherson	Poppenhagen	Sviggum
Bennett	Heap	Miller	Price	Tompkins
Blatz	Himle	Morrison	Pugh	Trimble
Brown	Janezich	Neuenschwander	Redalen	Tunheim
Burger	Johnson, V.	O'Connor	Rice	Valento
Carlson, L.	Kahn	Olsen, S.	Richter	Wagenius
Dawkins	Kalis	Olson, E.	Rodosovich	Williams
Dempsey	Kostohryz	Omann	Sarna	Winter
Dorn	Krueger	Orenstein	Schafer	Spk. Vanasek
Forsythe	Lieder	Osthoff	Schreiber	
Frederick	Long	Ostrom	Seaberg	
Frerichs	Macklin	Otis	Segal	

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

Morrison moved to amend S. F. No. 2618, as amended, as follows:

Page 13, line 34, delete "and"

Page 13, line 36, before the period, insert "; and (3) students who demonstrate a willingness to practice in designated rural areas"

Page 15, line 28, delete "and"

Page 15, line 29, before the period, insert "; and (3) students who demonstrate a willingness to practice in designated rural areas"

A roll call was requested and properly seconded.

The question was taken on the Morrison amendment and the roll was called. There were 51 yeas and 78 nays as follows:

Those who voted in the affirmative were:

Bennett	Gruenes	Limmer	Ozment	Swenson
Blatz	Gutknecht	Lynch	Pellow	Tjornhom
Boo	Hartle	Macklin	Poppenhagen	Tompkins
Burger	Hasskamp	Marsh	Redalen	Uphus
Carlson, D.	Haukoos	McDonald	Richter	Valento
Dempsey	Heap	McPherson	Runbeck	Waltman
Dille	Henry	Miller	Schafer	Weaver
Forsythe	Himle	Morrison	Schreiber	
Frederick	Hugoson	Olsen, S.	Seaberg	
Frerichs	Johnson, V.	Omann	Stanius	
Girard	Knickerbocker	Onnen	Sviggum	

Those who voted in the negative were:

Abrams	Greenfield	Lasley	Osthoff	Simoneau
Anderson, G.	Hausman	Lieder	Ostrom	Skoglund
Anderson, R.	Jacobs	Long	Otis	Solberg
Battaglia	Janezich	McEachern	Pappas	Sparby
Bauerly	Jaros	McLaughlin	Pelowski	Steensma
Beard	Jefferson	Milbert	Peterson	Trimble
Begich	Jennings	Munger	Pugh	Tunheim
Bertram	Johnson, A.	Murphy	Quinn	Vellenga
Brown	Johnson, R.	Nelson, C.	Reding	Wagenius
Carlson, L.	Kahn	Nelson, K.	Rest	Welle
Carruthers	Kalis	Neuenschwander	Rice	Wenzel
Clark	Kelly	O'Connor	Rodosovich	Williams
Cooper	Kelso	Ogren	Rukavina	Winter
Dauner	Kinkel	Olson, E.	Sarna	Spk. Vanasek
Dawkins	Kostohryz	Olson, K.	Scheid	
Dorn	Krueger	Orenstein	Segal	

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

The Speaker called Rodosovich to the Chair.

Milbert, Osthoff, Begich, Quinn, Pugh and Stanius moved to amend S. F. No. 2618, as amended, as follows:

Page 24, line 11, after the period insert:

"Agreements may not be entered into under this subdivision to provide athletic scholarships to residents of Canadian provinces."

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

S. F. No. 2618, A bill for an act relating to public administration; appropriating money or reducing appropriations to the higher education coordinating board, regents of the University of Minnesota, state university board, state board for community colleges, and state board of vocational technical education, with certain conditions; excepting notification of committee chairs on certain capital projects; establishing a community college at Cambridge; clarifying the duties and powers of the higher education coordinating board; authorizing tuition reciprocity agreements with contiguous Canadian provinces; establishing a state matching grant program to match private gifts to endowment funds; requiring administrative service plans for technical colleges under certain circumstances; changing permitted kinds of investments for the permanent university fund; permitting capital gains of the fund to be used to support endowed academic chairs; authorizing the purchase of a certain building by the state university board; requiring development of a consumer information system for occupational programs; regulating public post-secondary plans; requiring reports; adjusting contributions to state system retirement plans; amending Minnesota Statutes 1988, sections 136.60; 136.602; 136C.05, by adding a subdivision; 137.022, subdivisions 1 and 3; 352.92, subdivision 2; 352B.02, subdivision 1c; 353.27, subdivision 3a; and 354.42, subdivision 5; Minnesota Statutes 1989 Supplement, sections 16B.335, subdivision 2; 136A.04; 136A.08; 352.04, subdivisions 2 and 3; and 354B.04, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 136A; repealing Minnesota Statutes 1988, section 353.27, subdivision 3.

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

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Beard	Blatz	Carlson, L.	Dawkins
Anderson, G.	Begich	Boo	Carruthers	Dempsey
Anderson, R.	Bennett	Brown	Clark	Dille
Battaglia	Bertram	Burger	Cooper	Dorn
Bauerly	Bishop	Carlson, D.	Dauner	Forsythe

Frederick	Kelly	Murphy	Price	Steensma
Girard	Kelso	Nelson, C.	Pugh	Sviggum
Greenfield	Kinkel	Nelson, K.	Quinn	Swenson
Gruenes	Knickerbocker	Neuenschwander	Redalen	Tjornhom
Gutknecht	Kostohryz	O'Connor	Reding	Tompkins
Hartle	Krueger	Ogren	Rest	Trimble
Hasskamp	Lasley	Olsen, S.	Rice	Tunheim
Haukoos	Lieder	Olson, E.	Richter	Uphus
Hausman	Limmer	Olson, K.	Rodosovich	Valento
Heap	Long	Omann	Rukavina	Vellenga
Henry	Lynch	Onnen	Runbeck	Wagenius
Himle	Macklin	Orenstein	Sarna	Waltman
Hugoson	Marsh	Osthoff	Schafer	Weaver
Jacobs	McDonald	Ostrom	Scheid	Welle
Janezich	McEachern	Otis	Schreiber	Wenzel
Jefferson	McGuire	Ozment	Seaberg	Williams
Jennings	McLaughlin	Pappas	Segal	Winter
Johnson, A.	McPherson	Pauly	Simoneau	Spk. Vanasek
Johnson, R.	Milbert	Pellow	Skoglund	
Johnson, V.	Miller	Pelowski	Solberg	
Kahn	Morrison	Peterson	Sparby	
Kalis	Munger	Poppenhagen	Stanius	

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

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Long, from the Committee on Rules and Legislative Administration, pursuant to House Rule No. 1.9, designated the following bills as Special Orders to be acted upon immediately preceding Special Orders pending for today, Thursday, March 29, 1990:

H. F. Nos. 2545 and 1839.

SPECIAL ORDERS

H. F. No. 2545 was reported to the House.

Long moved that H. F. No. 2545 be continued on Special Orders. The motion prevailed.

H. F. No. 1839 was reported to the House.

Kelly moved to amend H. F. No. 1839, the first engrossment, as follows:

Page 1, after the enacting clause, insert:

"Section 1. Minnesota Statutes 1988, section 177.23, subdivision 7, is amended to read:

Subd. 7. "Employee" means any individual employed by an employer but does not include:

(1) two or fewer specified individuals employed at any given time in agriculture on a farming unit or operation who are paid a salary;

(2) any individual employed in agriculture on a farming unit or operation who is paid a salary greater than the individual would be paid if the individual worked 48 hours at the state minimum wage plus 17 hours at 1½ times the state minimum wage per week;

(3) an individual under 18 who is employed in agriculture on a farm to perform services other than corn detasseling or hand field work when one or both of that minor hand field worker's parents or physical custodians are also hand field workers;

(4) for purposes of section 177.24, an individual under 18 who is employed as a corn detasseler;

(5) any staff member employed on a seasonal basis by ~~a~~ an ~~nonprofit~~ organization for work in an organized ~~children's~~ resident or day camp operating under a permit issued under section 144.72;

(6) any individual employed in a bona fide executive, administrative, or professional capacity, or a salesperson who conducts no more than 20 percent of sales on the premises of the employer;

(7) any individual who renders service gratuitously for a nonprofit organization;

(8) any individual who serves as an elected official for a political subdivision or who serves on any governmental board, commission, committee or other similar body, or who renders service gratuitously for a political subdivision;

(9) any individual employed by a political subdivision to provide police or fire protection services or employed by an entity whose principal purpose is to provide police or fire protection services to a political subdivision;

(10) any individual employed by a political subdivision who is ineligible for membership in the public employees retirement association under section 353.01, subdivision 2b, clause (a), (b), (d), or (i);

(11) any driver employed by an employer engaged in the business of operating taxicabs;

(12) any individual engaged in babysitting as a sole practitioner;

(13) for the purpose of section 177.25, any individual employed on a seasonal basis in a carnival, circus, fair, or ski facility;

(14) any individual under 18 working less than 20 hours per workweek for a municipality as part of a recreational program;

(15) any individual employed by the state as a natural resource manager 1, 2, or 3 (conservation officer);

(16) any individual in a position for which the United States Department of Transportation has power to establish qualifications and maximum hours of service under United States Code, title 49, section 304;

(17) any individual employed as a seafarer. The term "seafarer" means a master of a vessel or any person subject to the authority, direction, and control of the master who is exempt from federal overtime standards under United States Code, title 29, section 213(b)(6), including but not limited to pilots, sailors, engineers, radio operators, firefighters, security guards, pursers, surgeons, cooks, and stewards;

(18) any individual employed by a county in a single family residence owned by a county home school as authorized under section 260.094 if the residence is an extension facility of that county home school, and if the individual as part of the employment duties resides at the residence for the purpose of supervising children as defined by section 260.015, subdivision 2; or

(19) nuns, monks, priests, lay brothers, lay sisters, ministers, deacons, and other members of religious orders who serve pursuant to their religious obligations in schools, hospitals, and other nonprofit institutions operated by the church or religious order."

Page 1, line 6, delete "1" and insert "2"

Page 1, lines 17 and 22, delete "$500,000" and insert "$362,500"

Page 2, delete lines 1 to 2

Page 2, line 5, delete "adult"

Page 2, delete line 25, and insert "January 1, 1991."

Page 2, line 26, delete "$5.45 an hour beginning January 1, 1993." and "large" and after "every" insert "small"

Page 2, line 27, delete "minor" and "$3.80" and after "least" insert "$4.00"

Page 2, line 28, delete everything after "1991" and insert a period

Page 2, delete lines 29 to 32

Page 2, after line 32, insert:

"(c) A large employer must pay each employee at a rate of at least the minimum wage set by this section or federal law without the reduction for training wage or full-time student status allowed under federal law.

Sec. 3. Minnesota Statutes 1988, section 177.24, is amended by adding a subdivision to read:

Subd. 1a. [PRESERVATION OF COVERAGE.] Any employer that was a federal covered employer on March 31, 1990 and that, because of the 1989 amendments to the federal fair labor standards act of 1938, as amended, (United States Code, title 29, chapter 201 et seq.) ceases to be a federal covered employer on April 1, 1990 shall pay its employees not less than the minimum wage in effect for such employees on March 31, 1990. This subdivision applies only until January 1, 1991.

Sec. 4. Minnesota Statutes 1988, section 177.24, subdivision 2, is amended to read:

Subd. 2. [GRATUITIES NOT APPLIED.] No employer may directly or indirectly credit, apply, or utilize gratuities towards payment of the minimum ~~wages,~~ wage set by this section or federal law ~~except as provided under section 177.28~~."

Page 2, line 33, delete "2" and insert "5"

Page 2, line 34, delete "1 is" and insert "2, paragraphs (a) and (b) are" and after the period insert "Sections 1, 2, paragraph (c), 3 and 4 are effective the day following final enactment."

Amend the title as follows:

Page 1, line 3, delete "section" and insert "sections 177.23, subdivision 7;"

Page 1, line 4, delete "subdivision 1" and insert "subdivisions 1 and 2 and by adding a subdivision"

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

CALL OF THE HOUSE

On the motion of Begich and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Abrams	Frerichs	Krueger	Onnen	Segal
Anderson, G.	Girard	Lasley	Orenstein	Simoneau
Anderson, R.	Gruenes	Lieder	Osthoff	Skoglund
Battaglia	Gutknecht	Limmer	Ostrom	Solberg
Beard	Hartle	Long	Ozment	Sparby
Begich	Hasskamp	Lynch	Pappas	Stanius
Bennett	Haukoos	Macklin	Pauly	Steensma
Bertram	Hausman	Marsh	Pellow	Sviggum
Bishop	Heap	McDonald	Pelowski	Swenson
Blatz	Henry	McEachern	Peterson	Tjornhom
Boo	Himle	McGuire	Poppenhagen	Tompkins
Brown	Hugoson	McLaughlin	Price	Trimble
Burger	Jacobs	McPherson	Pugh	Tunheim
Carlson, D.	Janezich	Milbert	Quinn	Uphus
Carlson, L.	Jaros	Morrison	Redalen	Valento
Carruthers	Jefferson	Munger	Reding	Vellenga
Clark	Jennings	Murphy	Rest	Wagenius
Cooper	Johnson, A.	Nelson, C.	Richter	Waltman
Dauner	Johnson, R.	Neuenschwander	Rodosovich	Weaver
Dawkins	Johnson, V.	O'Connor	Rukavina	Welle
Dempsey	Kalis	Ogren	Sarna	Wenzel
Dille	Kelly	Olsen, S.	Schafer	Williams
Dorn	Kinkel	Olson, E.	Scheid	Winter
Forsythe	Knickerbocker	Olson, K.	Schreiber	Spk. Vanasek
Frederick	Kostohryz	Omann	Seaberg	

Long 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.

Jaros moved to amend H. F. No. 1839, the first engrossment, as amended, as follows:

Page 1, after line 5, insert:

"ARTICLE 1"

Page 2, after line 34, insert:

"ARTICLE 2

Section 1. [HEALTH INSURANCE FOR EMPLOYEES; PROGRAM.]

The commissioners of the departments of health, commerce, and

human services shall cooperate and by using their existing budget and complement adopt a program requiring employers to provide basic health insurance to employees and their dependents. The program must require contributions from both employees and employers. The commissioners shall implement the program by September 1, 1990.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following its final enactment."

Amend the title as follows:

Page 1, line 2, after "wage;" insert "providing a program for health insurance for employees;"

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

Marsh moved to amend H. F. No. 1839, the first engrossment, as amended, as follows:

Page 2, after line 32, insert:

"Sec. 2. Minnesota Statutes 1988, section 177.42, subdivision 6, is amended to read:

Subd. 6. "Prevailing wage rate" means the hourly basic rate of pay plus the contribution for health and welfare benefits, vacation benefits, pension benefits, and any other economic benefit paid to the largest number of workers engaged in the same class of labor within the area ~~and includes, for the purposes of section 177.44, rental rates for truck hire paid to those who own and operate the truck~~. The prevailing wage rate may not be less than a reasonable and living wage.

Sec. 3. Minnesota Statutes 1988, section 177.43, subdivision 2, is amended to read:

Subd. 2. [EXCEPTIONS.] This section does not apply to wage rates and hours of employment of laborers or mechanics who process or manufacture materials or products or to the delivery of materials or products by or for commercial establishments which have a fixed place of business from which they regularly supply processed or manufactured materials or products. ~~This section applies to laborers or mechanics who deliver mineral aggregate such as sand, gravel, or stone which is incorporated into the work under the contract by depositing the material substantially in place, directly or through spreaders, from the transporting vehicle.~~

Sec. 4. Minnesota Statutes 1988, section 177.44, subdivision 2, is amended to read:

Subd. 2. [APPLICABILITY.] This section does not apply to wage rates and hours of employment of laborers or mechanics engaged in the processing or manufacture of materials or products, or to the delivery of materials or products by or for commercial establishments which have a fixed place of business from which they regularly supply the processed or manufactured materials or products. ~~This section applies to laborers or mechanics who deliver mineral aggregate such as sand, gravel, or stone which is incorporated into the work under the contract by depositing the material substantially in place, directly or through spreaders, from the transporting vehicle.~~

Sec. 5. Minnesota Statutes 1988, section 177.44, subdivision 3, is amended to read:

Subd. 3. [INVESTIGATIONS BY DEPARTMENT OF LABOR AND INDUSTRY.] The department of labor and industry shall conduct investigations and hold public hearings necessary to define classes of laborers and mechanics and to determine the hours of labor and wage rates prevailing in all areas of the state for all classes of labor and mechanics commonly employed in highway construction work, so as to determine prevailing hours of labor, prevailing wage rates, and hourly basic rates of pay.

~~The department shall determine the nature of the equipment furnished by truck drivers who own and operate trucks on contract work to determine minimum rates for the equipment, and shall establish by rule minimum rates to be computed into the prevailing wage rate.~~"

Renumber the remaining section

Amend the title as follows:

Page 1, line 2, after "wage;" insert "regulating prevailing wages on state projects;"

Page 1, line 3, delete "section" and insert "sections"

Page 1, line 4, after "1" insert "; 177.42, subdivision 6; 177.43, subdivision 2; and 177.44, subdivisions 2 and 3"

A roll call was requested and properly seconded.

The question was taken on the Marsh amendment and the roll was called.

Long moved that those not voting be excused from voting. The motion prevailed.

There were 61 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Limmer	Omann	Sviggum
Bauerly	Girard	Lynch	Onnen	Swenson
Bennett	Gruenes	Macklin	Ozment	Tjornhom
Bertram	Gutknecht	Marsh	Pauly	Tompkins
Bishop	Hartle	McDonald	Poppenhagen	Uphus
Blatz	Haukoos	McEachern	Redalen	Valento
Boo	Heap	McGuire	Richter	Waltman
Burger	Henry	McPherson	Runbeck	Weaver
Carlson, D.	Himle	Miller	Schafer	Winter
Dempsey	Hugoson	Morrison	Schreiber	
Dille	Jennings	Neuenschwander	Seaberg	
Forsythe	Johnson, V.	Olsen, S.	Stanius	
Frederick	Knickerbocker	Olson, K.	Steensma	

Those who voted in the negative were:

Anderson, G.	Jacobs	Long	Pappas	Simoneau
Anderson, R.	Janezich	McLaughlin	Pellow	Skoglund
Battaglia	Jefferson	Milbert	Pelowski	Solberg
Beard	Johnson, A.	Munger	Peterson	Sparby
Begich	Johnson, R.	Murphy	Price	Trimble
Carlson, L.	Kahn	Nelson, C.	Pugh	Tunheim
Carruthers	Kalis	Nelson, K.	Quinn	Vellenga
Clark	Kelly	O'Connor	Rest	Wagenius
Cooper	Kelso	Ogren	Rice	Welle
Dawkins	Kinkel	Olson, E.	Rodosovich	Wenzel
Dorn	Kostohryz	Orenstein	Rukavina	Williams
Greenfield	Krueger	Osthoff	Sarna	Spk. Vanasek
Hasskamp	Lasley	Ostrom	Scheid	
Hausman	Lieder	Otis	Segal	

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

Frerichs and Sviggum moved to amend H. F. No. 1839, the first engrossment, as amended, as follows:

Page 2, after line 32, insert:

"(c) Notwithstanding paragraph (b) to the contrary, the minimum hourly wage for employees who receive an average of $25 or more per week in gratuities in a pay period shall be as follows:

(1) every large employer must pay each such adult employee wages at a rate of at least $3.95 an hour beginning April 1, 1991; and each such minor employee wages at a rate of at least $3.56 an hour beginning April 1, 1991.

(2) every small employer must pay each such adult employee wages at a rate of at least $3.80 an hour beginning April 1, 1991; and each such minor employee wages at a rate of at least $3.42 an hour beginning April 1, 1991. This paragraph is effective until April 1, 1992."

A roll call was requested and properly seconded.

The question was taken on the Frerichs and Sviggum amendment and the roll was called.

McLaughlin moved that those not voting be excused from voting. The motion prevailed.

There were 46 yeas and 84 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Kinkel	Omann	Stanius
Bennett	Gruenes	Krueger	Onnen	Sviggum
Blatz	Gutknecht	Limmer	Pauly	Swenson
Boo	Hartle	Lynch	Pellow	Uphus
Burger	Hasskamp	Macklin	Poppenhagen	Waltman
Dempsey	Haukoos	Marsh	Richter	Weaver
Dille	Heap	McDonald	Runbeck	
Forsythe	Himle	McPherson	Schafer	
Frederick	Hugoson	Miller	Schreiber	
Frerichs	Kelso	Morrison	Seaberg	

Those who voted in the negative were:

Anderson, G.	Hausman	McEachern	Otis	Simoneau
Anderson, R.	Henry	McGuire	Ozment	Skoglund
Battaglia	Jacobs	McLaughlin	Pappas	Solberg
Bauerly	Janezich	Milbert	Pelowski	Sparby
Beard	Jefferson	Munger	Peterson	Steensma
Begich	Jennings	Murphy	Price	Tjornhom
Bertram	Johnson, A.	Nelson, C.	Pugh	Tompkins
Brown	Johnson, R.	Nelson, K.	Quinn	Trimble
Carlson, D.	Johnson, V.	Neuenschwander	Redalen	Tunheim
Carlson, L.	Kahn	O'Connor	Reding	Vellenga
Carruthers	Kalis	Ogren	Rest	Wagenius
Clark	Kelly	Olsen, S.	Rice	Welle
Cooper	Knickerbocker	Olson, E.	Rodosovich	Wenzel
Dauner	Kostohryz	Olson, K.	Rukavina	Williams
Dawkins	Lasley	Orenstein	Sarna	Winter
Dorn	Lieder	Osthoff	Scheid	Spk. Vanasek
Greenfield	Long	Ostrom	Segal	

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

H. F. No. 1839, A bill for an act relating to employment; raising the minimum wage; amending Minnesota Statutes 1988, sections 177.23, subdivision 7; 177.24, subdivisions 1 and 2 and by adding a subdivision.

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.

McLaughlin moved that those not voting be excused from voting. The motion prevailed.

There were 118 yeas and 14 nays as follows:

Those who voted in the affirmative were:

Abrams	Haukoos	Long	Ostrom	Simoneau
Anderson, G.	Hausman	Lynch	Otis	Skoglund
Anderson, R.	Heap	Macklin	Ozment	Solberg
Battaglia	Henry	Marsh	Pappas	Sparby
Bauerly	Himle	McEachern	Pauly	Stanius
Beard	Jacobs	McGuire	Pellow	Steensma
Begich	Janezich	McLaughlin	Pelowski	Sviggum
Bennett	Jaros	McPherson	Peterson	Swenson
Bishop	Jefferson	Milbert	Poppenhagen	Tjornhom
Blatz	Jennings	Morrison	Price	Tompkins
Boo	Johnson, A.	Munger	Pugh	Trimble
Brown	Johnson, R.	Murphy	Quinn	Uphus
Carlson, D.	Johnson, V.	Nelson, C.	Redalen	Valento
Carlson, L.	Kahn	Nelson, K.	Reding	Vellenga
Carruthers	Kalis	Neuenschwander	Rest	Wagenius
Clark	Kelly	O'Connor	Rice	Waltman
Cooper	Kelso	Ogren	Rodosovich	Weaver
Dauner	Kinkel	Olsen, S.	Rukavina	Welle
Dawkins	Knickerbocker	Olson, E.	Runbeck	Wenzel
Dorn	Kostohryz	Olson, K.	Sarna	Williams
Greenfield	Krueger	Omann	Schafer	Winter
Gruenes	Lasley	Onnen	Scheid	Spk. Vanasek
Hartle	Lieder	Orenstein	Seaberg	
Hasskamp	Limmer	Osthoff	Segal	

Those who voted in the negative were:

Burger	Forsythe	Girard	McDonald	Schreiber
Dempsey	Frederick	Gutknecht	Miller	Tunheim
Dille	Frerichs	Hugoson	Richter	

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

CALL OF THE HOUSE LIFTED

Long moved that the call of the House be dispensed with. The motion prevailed and it was so ordered.

H. F. No. 2269 was reported to the House.

Carlson, L., moved that H. F. No. 2269 be returned to its author. The motion prevailed.

The Speaker called Quinn to the Chair.

S. F. No. 2421 was reported to the House.

Scheid moved to amend S. F. No. 2421, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 10A.15, subdivision 3b, is amended to read:

Subd. 3b. ~~[BY INDIVIDUAL MEMBERS OF POLITICAL FUND OR COMMITTEE.]~~ Contributions made to a candidate or principal campaign committee ~~by individual members of a political fund or committee~~ that are solicited for or on behalf of a candidate by ~~the~~ a political fund or committee must be reported as attributable to the political fund or committee and count toward the contribution limits of that fund or committee specified in section 10A.27, if the political fund or committee was organized or is operated primarily to solicit on behalf of or direct ~~the~~ contributions ~~of its members and~~ other than from its own funds to ~~influence the nomination or election of a candidate. The term "individual members" as used in this subdivision means a person or entity who in any manner participates in or in any manner contributes financially or otherwise to the activities of the political fund or committee~~ one or more candidates or principal campaign committees.

Sec. 2. Minnesota Statutes 1988, section 204B.06, is amended by adding a subdivision to read:

Subd. 1a. [PRESIDENTIAL PRIMARY AFFIDAVIT.] An affidavit of candidacy for the presidential primary shall include the candidate's name, address, office sought, and the candidate's political party or principal in three words or less. The affidavit shall include a statement that the candidate satisfies the federal constitutional requirements for holding office.

Sec. 3. Minnesota Statutes 1988, section 204B.11, subdivision 2, is amended to read:

Subd. 2. [PETITION IN PLACE OF FILING FEE.] At the time of filing an affidavit of candidacy, a candidate may present a petition in place of the filing fee. The petition may be signed by any individual eligible to vote for the candidate. A nominating petition filed pursuant to section 204B.07 or 204B.13, subdivision 4, is effective as a petition in place of a filing fee if the nominating petition includes a prominent statement informing the signers of the petition that it will be used for that purpose.

The number of signatures on a petition in place of a filing fee shall be as follows:

(a) For a state office voted on statewide, or for president of the United States, or United States senator, 2,000;

(b) For a congressional office, 1,000;

(c) For a county or legislative office, or for the office of district, county or county municipal judge, 500; and

(d) For any other office which requires a filing fee as prescribed by law, municipal charter or ordinance, the lesser of 500 signatures or five percent of the total number of votes cast in the municipality, ward or other election district at the preceding general election at which that office was on the ballot.

An official with whom petitions are filed shall make sample forms for petitions in place of filing fees available upon request.

Sec. 4. Minnesota Statutes 1989 Supplement, section 207A.01, is amended to read:

207A.01 [PRESIDENTIAL PRIMARY.]

A presidential primary must be held on the ~~fourth~~ first Tuesday in ~~February~~ April of each year in which a president and vice president of the United States are to be nominated and elected, at which the voters of this state may express their preference among the candidates of the major political party of their choice, for that party's nomination to be president of the United States or may vote for uncommitted delegates to the national party convention. For the purposes of sections 207A.01 to 207A.07, "political party" or "party" means a political party as defined in section 200.02, subdivision 7.

Sec. 5. Minnesota Statutes 1989 Supplement, section 207A.02, is amended to read:

207A.02 [CANDIDATES ON BALLOT.]

Subdivision 1. [REQUIRED LISTING.] The following individuals must be listed as candidates on the appropriate major political party presidential ballot with a separate ballot for each major political party:

(1) any individual ~~whose name has been entered as a candidate for the nomination of a major political party in presidential primaries in two or more other states during the same year~~ who files an affidavit of candidacy pursuant to section 204B.06 and submits the

appropriate filing fee or petition in place of filing fee pursuant to section 204B.11; and

(2) any individual nominated as a candidate for the presidential nomination of a political party by a petition submitted not later than ten weeks before the primary and bearing the names of ~~2,000~~ 1,000 eligible voters from each congressional district.

In addition, each major political party's ballot must contain a place for a voter to indicate a preference for having delegates to the party's national convention remain uncommitted, and a blank line printed below the other choices on the ballot so that a voter may write in the name of a person who is not listed on the ballot.

Subd. 1a. [TIME FOR FILING; FEE.] The period for filing an affidavit of candidacy for the presidential primary shall commence 16 weeks before the primary and close 14 weeks before the primary. The filing fee shall be $500. The period for signing nominating petitions shall commence 16 weeks before the primary and close ten weeks before the primary.

Subd. 2. [~~TENTATIVE LISTING~~ ANNOUNCING CANDIDATES.] ~~A tentative determination of the~~ Candidates ~~to be listed~~ who have filed an affidavit of candidacy pursuant to subdivision 1, clause (1), for each political party on the presidential primary ballot must be announced by the secretary of state ~~ten weeks before the primary~~ the day after filings close for the purpose of giving voters sufficient time to nominate ~~unlisted~~ other candidates by petition.

Subd. 3. [ANNOUNCEMENT.] The determination of which candidates must be listed on the presidential primary ballot must be made by the secretary of state not later than ~~six~~ eight weeks before the presidential primary. The secretary of state shall certify to the county auditor of each county the names of all candidates in the presidential primary at least seven weeks before the primary.

Subd. 4. [NOTIFICATION.] Not later than three days after the last day for filing a nominating petition pursuant to subdivision 1, clause (2), the secretary of state shall notify each individual whose name is to be listed on the presidential primary ballot that the individual's name will be listed unless the individual submits an affidavit stating that the individual is not a candidate for the presidential nomination, does not intend to become a candidate, and would not accept the nomination. The affidavit must be submitted to and received by the secretary of state no later than ~~five~~ eight weeks before the presidential primary.

Sec. 6. Minnesota Statutes 1989 Supplement, section 207A.03, is amended to read:

207A.03 [PRESIDENTIAL PRIMARY; HOW CONDUCTED.]

Subdivision 1. [GENERAL RULE.] Except as otherwise provided in sections 207A.01 to 207A.07, the presidential primary must be ~~announced, held, and~~ conducted, and the results canvassed and returned in the manner provided by law for ~~other primaries and in accordance with the general election laws of the state, as applicable~~ the state primary. If a municipality which uses lever voting machines or an electronic voting system determines that the use of the machines or voting system would not be practical in the presidential primary, the municipality may use a paper ballot for the presidential primary.

Subd. 2. [VOTER CERTIFICATION; BALLOT.] An individual seeking to vote at the presidential primary shall request the ballot of the party for whose candidates the individual wishes to vote. The voter registration certificate or duplicate registration file for the presidential primary shall list the names of the political parties appearing on the ballot at the presidential primary. Before receiving a ballot, a voter shall sign the voter's certificate or duplicate registration file and shall place a check mark beside the name of the political party whose ballot the voter requested.

Sec. 7. Minnesota Statutes 1989 Supplement, section 207A.04, is amended to read:

207A.04 [AUDITOR FURNISHED INFORMATION BY SECRETARY OF STATE; BALLOT PREPARATION.]

Subdivision 1. [NOTICE OF FILING PERIOD.] ~~Before December 1 of the year~~ Twenty weeks before a presidential primary is to be held, the secretary of state shall provide notice to the county auditor of each county of the date of the presidential primary. Within ten days after notification by the secretary of state, each county auditor shall provide notice of the date of the presidential primary to each municipal clerk in the county.

Subd. 2. [NOTICE OF PRIMARY.] At least 15 days before the date of the presidential primary, each municipal clerk shall post a public notice stating the date of the presidential primary, the location of each polling place in the municipality, and the hours during which the polling places in the municipality will be open. The county auditor shall post a similar notice in the auditor's office with information for any polling places in unorganized territory in the county. The governing body of a municipality or county may publish the notice in addition to posting it. Failure to give notice does not invalidate the election.

Subd. ~~2~~ 3. [BALLOT PREPARATION.] The secretary of state shall prepare paper ballots, absentee ballot envelopes, ballot return envelopes, election return envelopes, and summary statements for

use in the presidential primary. The ballots must be printed on white paper with a separate ballot for the names of the candidates of each political party.

Sec. 8. Minnesota Statutes 1989 Supplement, section 207A.06, is amended to read:

207A.06 [SELECTION OF DELEGATES; NATIONAL CONVENTION BALLOTING.]

Subdivision 1. [APPORTIONMENT OF VOTES.] The delegates to the national convention of each political party appearing on the presidential primary ballot who are chosen on the basis of their support for particular presidential candidates must be apportioned among the various candidates of that party receiving votes in the presidential primary, in proportion to their respective vote totals.

The secretary of state shall certify to the state chairperson of each political party appearing on the presidential primary ballot the number of delegates to which each presidential candidate is entitled.

Subd. 2. [CHOSEN DELEGATES.] Delegates to the national convention of each political party appearing on the presidential primary ballot must be chosen by the state convention or congressional district convention of that party, except as otherwise provided in this subdivision. The secretary of each party's state convention or congressional district convention shall promptly notify the secretary of state of the names of the delegates to the national convention chosen as supporters of each presidential candidate. ~~Only supporters of candidates whose names appeared on the presidential primary ballot may be chosen by the state convention of that party to be delegates to the national convention. The secretary of state shall promptly notify each presidential candidate of the names of the delegates to the national convention chosen as supporters of that candidate. If the presidential candidate determines that the delegates chosen as supporters by the state convention are not in fact committed to the candidate's candidacy, the candidate shall, within ten days of receiving the notification from the secretary of state, advise the secretary of state of the names of those delegates to whom the candidate objects on those grounds and shall name as substitute delegates any other individuals who are committed to the candidacy. The determination and selection by the presidential candidate shall take precedence over the decision of the state convention and is final. The secretary of state shall promptly notify the secretary of the state convention of the affected political party of the action by a presidential candidate.~~

Subd. 3. [DELEGATE VOTES.] At the national convention, delegates chosen because of their support for a presidential candidate, unless they have been released from their obligation by the candidate, shall vote for that candidate on the first ballot at the national

convention regardless of the number of votes the candidate receives, and shall also vote for the candidate on the second and third ballots if the candidate receives at least 20 percent of the votes cast on the preceding ballot, ~~unless they have been released from that obligation by the candidate~~.

Sec. 9. [207A.08] [INFORMATION ON PARTY CHOICE.]

Notwithstanding section 204C.18, subdivision 1, or other law to the contrary, a person entitled to inspect the duplicate registration file or receive a copy of a current precinct list under section 201.091, must also be informed of the party choice of any voter who voted in the most recent presidential primary under this chapter.

Sec. 10. [207A.09] [RULEMAKING AUTHORITY.]

The secretary of state shall adopt rules to implement the provisions of this chapter, as follows:

(1) to implement the provisions of section 9;

(2) to determine a method for verifying the signatures on nominating petitions and petitions in place of filing fees for the presidential primary;

(3) to determine the format of the presidential primary ballots; and

(4) to determine the manner of paying or reimbursing the costs to the counties of conducting the presidential primary.

Sec. 11. [REGIONAL PRIMARY STUDY.]

The secretary of state shall study the feasibility of Minnesota's joining any other state to hold a regional presidential primary and shall report conclusions to the chairs of the general legislation committee in the house and the elections committee in the senate by February 1, 1991.

Sec. 12. [REPEALER.]

Minnesota Statutes 1989 Supplement, section 207A.05, is repealed."

Delete the title and insert:

"A bill for an act relating to elections; presidential primary; changing the primary date; providing procedures for conducting the primary; changing the requirements for being a candidate at the primary; allowing voters to prefer uncommitted delegates; allowing

write-in votes; providing for voter receipt of ballots; eliminating the provision that the primary winner is the party's endorsed candidate; changing the apportionment of party delegates; requiring provision of certain information to interested persons; amending Minnesota Statutes 1988, sections 10A.15, subdivision 3b; 204B.06, by adding a subdivision; and 204B.11, subdivision 2; Minnesota Statutes 1989 Supplement, sections 207A.01; 207A.02; 207A.03; 207A.04; and 207A.06; proposing coding for new law in Minnesota Statutes, chapter 207A; repealing Minnesota Statutes 1989 Supplement, section 207A.05."

The motion prevailed and the amendment was adopted.

Scheid and Abrams moved to amend S. F. No. 2421, as amended, as follows:

Page 1, delete lines 22 to 32, and insert:

"Subd. 3b. ~~[BY INDIVIDUAL MEMBERS OF POLITICAL FUND OR COMMITTEE.]~~ Contributions made to a candidate or principal campaign committee ~~by individual members of a political fund or committee~~ that are ~~solicited~~ directed to that candidate or principal campaign committee by ~~the~~ a political fund or committee must be reported as attributable to the political fund or committee and count toward the contribution limits of that fund or committee specified in section 10A.27, if the political fund or committee was organized or is operated primarily to ~~solicit or~~ direct ~~the~~ contributions ~~of its members and~~ other than from its own funds to ~~influence the nomination or election of a candidate. The term "individual members" as used in this subdivision means a person or entity who in any manner participates in or in any manner contributes financially or otherwise to the activities of the political fund or committee.~~ one or more candidates or principal campaign committees. It is the responsibility of the treasurer of the political fund or committee to so advise the candidate or the candidate's principal campaign committee if the contribution or contributions are not from the political fund or the political committee's own funds. "Direct" as used in this section includes, but is not limited to, order, command, control, or instruct. A violation of this section is a violation of section 10A.29."

Page 2, delete lines 1 to 5

The motion prevailed and the amendment was adopted.

Bishop, Redalen, Solberg, Osthoff, Dempsey, Abrams, Boo and Knickerbocker moved to amend S. F. No. 2421, as amended, as follows:

Page 1, after line 19, insert:

"Section 1. Minnesota Statutes 1988, section 202A.12, subdivision 1, is amended to read:

Subdivision 1. [TIME OF CONVENTION.] The final authority over the affairs of each major political party is vested in the party's state convention to be held at least once every state general election year at the call of the state central committee. In no event shall a state convention for the purpose of endorsing candidates for office be held before the state primary in a state general election year.

Sec. 2. Minnesota Statutes 1989 Supplement, section 202A.13, is amended to read:

202A.13 [COMMITTEES, CONVENTIONS.]

The rules of each major political party shall provide that for each congressional district and each county or legislative district a convention shall be held at least once every state general election year. In no event shall a convention be held in a congressional district or county or legislative district for the purpose of endorsing candidates for office before the state primary in a state general election year. Each major political party shall also provide for each congressional district and each county or legislative district an executive committee consisting of a chair and such other officers as may be necessary. The party rules may provide for only one executive committee and one convention where any county and congressional district have the same territorial limits.

A communicatively impaired delegate or alternate who needs interpreter services at a county, legislative district, or congressional district convention shall so notify the executive committee of the major political party unit whose convention the delegate or alternate plans to attend. Written notice must be given by certified mail to the executive committee at least 30 days before the convention date. The major political party, not later than 14 days before the convention date, shall secure the services of one or more interpreters if available and shall assume responsibility for the cost of the services. The state central committee of the major political party shall determine the process for reimbursing interpreters.

A visually impaired delegate or alternate to a county, legislative district, or congressional district convention may notify the executive committee of the major political party unit that the delegate or alternate requires convention materials in audio tape, Braille, or large print format. Upon receiving the request, the executive committee shall provide all official written convention materials as soon as they are available, so that the visually impaired individual may have them converted to audio tape, Braille, or large print format, prior to the convention."

Page 3, after line 4, insert:

"Sec. 5. Minnesota Statutes 1988, section 204D.03, subdivision 1, is amended to read:

Subdivision 1. [STATE PRIMARY.] The state primary shall be held on the ~~first~~ third Tuesday ~~after the second Monday in September~~ in May in each even-numbered year to select the nominees of the major political parties for partisan offices and the nominees for nonpartisan offices to be filled at the state general election, other than presidential electors."

Renumber sections accordingly

Correct internal references

Amend the title as follows:

Page 1, line 2, after "presidential" insert "and state"

Page 1, line 3, delete "date" and insert "dates"

Page 1, line 3, after the semicolon, insert "requiring that party endorsing conventions be held after the state primary;"

Page 1, lines 4, 5, and 8, before "primary" insert "presidential"

Page 1, line 9, after "of" insert "national"

Page 1, line 12, after "sections" insert "202A.12, subdivision 1;"

Page 1, line 13, before "Minnesota" insert "204D.03, subdivision 1;"

Page 1, line 14, after "sections" insert "202A.13;"

A roll call was requested and properly seconded.

The question was taken on the Bishop et al amendment and the roll was called. There were 17 yeas and 109 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Knickerbocker	Pauly	Uphus
Bennett	Heap	Morrison	Redalen	
Bishop	Himle	Olsen, S.	Scheid	
Dille	Jennings	Osthoff	Solberg	

Those who voted in the negative were:

Anderson, G.	Bertram	Carlson, D.	Dauner	Girard
Battaglia	Blatz	Carlson, L.	Dawkins	Greenfield
Bauerly	Boo	Carruthers	Dorn	Gruenes
Beard	Brown	Clark	Forsythe	Gutknecht
Begich	Burger	Cooper	Frederick	Hartle

Hasskamp	Krueger	Neuenschwander	Quinn	Sviggum
Haukoos	Lasley	O'Connor	Reding	Swenson
Hausman	Lieder	Ogren	Rest	Tjornhom
Henry	Limmer	Olson, E.	Rice	Tompkins
Hugoson	Lynch	Olson, K.	Richter	Trimble
Jacobs	Macklin	Omann	Rodosovich	Tunheim
Jaros	Marsh	Onnen	Rukavina	Valento
Jefferson	McDonald	Orenstein	Runbeck	Vellenga
Johnson, A.	McEachern	Ostrom	Sarna	Wagenius
Johnson, R.	McGuire	Otis	Schafer	Waltman
Johnson, V.	McLaughlin	Ozment	Seaberg	Weaver
Kahn	McPherson	Pappas	Segal	Welle
Kalis	Milbert	Pellow	Simoneau	Wenzel
Kelly	Miller	Pelowski	Skoglund	Williams
Kelso	Munger	Peterson	Sparby	Winter
Kinkel	Murphy	Poppenhagen	Stanius	Spk. Vanasek
Kostohryz	Nelson, K.	Pugh	Steensma	

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

Onnen moved to amend S. F. No. 2421, as amended, as follows:

Page 5, line 21, delete everything after the period

Page 5, delete lines 22 to 24

Pages 7 and 8, delete section 9

Page 8, delete line 7

Renumber the clauses in sequence

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Onnen amendment and the roll was called. There were 19 yeas and 111 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Jennings	Neuenschwander	Runbeck	Swenson
Carlson, D.	Limmer	Omann	Seaberg	Uphus
Gruenes	McDonald	Onnen	Stanius	Waltman
Haukoos	McPherson	Richter	Sviggum	

Those who voted in the negative were:

Abrams	Frerichs	Kostohryz	Orenstein	Segal
Anderson, G.	Girard	Krueger	Osthoff	Simoneau
Battaglia	Greenfield	Lasley	Ostrom	Skoglund
Bauerly	Gutknecht	Lieder	Otis	Solberg
Beard	Hartle	Long	Ozment	Sparby
Begich	Hasskamp	Lynch	Pappas	Steensma
Bennett	Hausman	Macklin	Pauly	Tjornhom
Bertram	Henry	Marsh	Pellow	Tompkins
Bishop	Himle	McEachern	Pelowski	Trimble
Blatz	Hugoson	McGuire	Poppenhagen	Tunheim
Boo	Jacobs	McLaughlin	Price	Valento
Brown	Janezich	Milbert	Pugh	Vellenga
Burger	Jaros	Miller	Quinn	Wagenius
Carlson, L.	Jefferson	Morrison	Redalen	Weaver
Carruthers	Johnson, A.	Munger	Reding	Welle
Clark	Johnson, R.	Murphy	Rest	Wenzel
Cooper	Johnson, V.	Nelson, C.	Rice	Williams
Dauner	Kahn	Nelson, K.	Rodosovich	Winter
Dawkins	Kalis	O'Connor	Rukavina	Spk. Vanasek
Dempsey	Kelly	Ogren	Sarna	
Dorn	Kelso	Olsen, S.	Schafer	
Forsythe	Kinkel	Olson, E.	Scheid	
Frederick	Knickerbocker	Olson, K.	Schreiber	

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

S. F. No. 2421, A bill for an act relating to elections; presidential primary; changing the primary date; providing procedures for conducting the primary; changing the requirements for being a candidate at the primary; allowing voters to prefer uncommitted delegates; allowing write-in votes; providing for voter receipt of ballots; eliminating the provision that the primary winner is the party's endorsed candidate; changing the apportionment of party delegates; requiring provision of certain information to interested persons; amending Minnesota Statutes 1988, sections 204B.06, by adding a subdivision; 204B.11, subdivision 2; Minnesota Statutes 1989 Supplement, sections 207A.01; 207A.02; 207A.03; 207A.04; and 207A.06, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 207A; repealing Minnesota Statutes 1989 Supplement, section 207A.05.

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 127 yeas and 3 nays as follows:

Those who voted in the affirmative were:

Abrams	Bennett	Burger	Dawkins	Frerichs
Anderson, G.	Bertram	Carlson, L.	Dempsey	Girard
Battaglia	Bishop	Carruthers	Dille	Greenfield
Bauerly	Blatz	Clark	Dorn	Gruenes
Beard	Boo	Cooper	Forsythe	Gutknecht
Begich	Brown	Dauner	Frederick	Hartle

Hasskamp	Krueger	Neuenschwander	Quinn	Steensma
Haukoos	Lasley	O'Connor	Redalen	Sviggum
Hausman	Lieder	Ogren	Reding	Swenson
Heap	Limmer	Olsen, S.	Rest	Tjornhom
Henry	Long	Olson, E.	Rice	Tompkins
Himle	Lynch	Olson, K.	Richter	Trimble
Hugoson	Macklin	Omann	Rodosovich	Tunheim
Jacobs	Marsh	Orenstein	Rukavina	Uphus
Janezich	McDonald	Osthoff	Runbeck	Valento
Jaros	McEachern	Ostrom	Sarna	Vellenga
Jefferson	McGuire	Otis	Schafer	Waltman
Johnson, R.	McLaughlin	Ozment	Scheid	Weaver
Johnson, V.	McPherson	Pappas	Schreiber	Welle
Kahn	Milbert	Pauly	Seaberg	Wenzel
Kalis	Miller	Pellow	Segal	Williams
Kelly	Morrison	Pelowski	Simoneau	Winter
Kelso	Munger	Peterson	Skoglund	Spk. Vanasek
Kinkel	Murphy	Poppenhagen	Solberg	
Knickerbocker	Nelson, C.	Price	Sparby	
Kostohryz	Nelson, K.	Pugh	Stanius	

Those who voted in the negative were:

Anderson, R.	Carlson, D.	Onnen

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

H. F. No. 2666 was reported to the House.

Scheid moved that H. F. No. 2666 be temporarily laid over on Special Orders. The motion prevailed.

S. F. No. 2299 was reported to the House.

Clark moved to amend S. F. No. 2299, as follows:

Delete everything after the enacting clause and insert:

"Section 1. [CITATION.]

This act may be cited as the "Minnesota natural wild rice preservation act of 1990" or "Manomin act."

Sec. 2. [PURPOSE.]

This act promotes restoration of the natural wild rice industry in northern Minnesota, enabling communities to participate and benefit from the increased per capita income of the unemployed, underemployed, and seasonal worker. The resource of natural wild rice is local, renewable, and does not require long-term subsidization. This industry by its nature is self-sustaining, enables broad citizen involvement and empowerment, and would preserve cultural and agricultural diversity and integration. It is, therefore, neces-

sary to take steps sufficient to restore the industry of our state grain, wild rice.

Sec. 3. [116J.645] [MINNESOTA NATURAL WILD RICE PROMOTION ADVISORY COUNCIL.]

The Minnesota natural wild rice promotion advisory council is established for the promotion and marketing of hand-harvested natural lake or river wild rice. The commissioner of trade and economic development, with recommendations from the Minnesota Chippewa Tribe, shall appoint no more than 15 members to the advisory council. The advisory council must include representatives of natural wild rice hand harvesters, natural wild rice processors, natural wild rice dealers, and enrolled members of the Minnesota Chippewa Tribe. At least 51 percent of the membership of the advisory council must be American Indians as defined in section 254B.01, subdivision 2. Members of the advisory council shall serve for four-year terms and section 15.059, subdivisions 2 and 4, shall apply to members of the advisory council. Members of the advisory council may receive no per diem and may not be reimbursed for expenses. The department of trade and economic development shall provide technical assistance to the advisory council relating to the marketing of natural wild rice.

The advisory council functions shall include but not be limited to addressing the issues of trademarking, labeling, packaging, consumer awareness, and marketing techniques necessary to the successful promotion of the exclusive and original nature of the home-grown Minnesota product.

The advisory council shall advise the department of trade and economic development annually of its activities and progress in this regard."

Delete the title and insert:

"A bill for an act relating to economic development; establishing the Minnesota natural wild rice promotion advisory council; proposing coding for new law in Minnesota Statutes, chapter 116J."

The motion prevailed and the amendment was adopted.

S. F. No. 2299, A bill for an act relating to agriculture; establishing the Minnesota natural wild rice promotion advisory council; proposing coding for new law in Minnesota Statutes, chapter 30.

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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Greenfield	Lasley	Orenstein	Segal
Anderson, G.	Gruenes	Lieder	Osthoff	Simoneau
Anderson, R.	Gutknecht	Limmer	Ostrom	Skoglund
Battaglia	Hartle	Long	Otis	Solberg
Bauerly	Hasskamp	Lynch	Ozment	Sparby
Beard	Haukoos	Macklin	Pappas	Stanius
Begich	Hausman	Marsh	Pauly	Steensma
Bennett	Heap	McDonald	Pellow	Sviggum
Bertram	Henry	McEachern	Pelowski	Swenson
Bishop	Himle	McGuire	Peterson	Tjornhom
Blatz	Hugoson	McLaughlin	Poppenhagen	Tompkins
Boo	Jacobs	McPherson	Price	Trimble
Brown	Janezich	Milbert	Pugh	Tunheim
Burger	Jaros	Miller	Quinn	Uphus
Carlson, D.	Jefferson	Morrison	Redalen	Valento
Carlson, L.	Jennings	Munger	Reding	Vellenga
Carruthers	Johnson, A.	Murphy	Rest	Wagenius
Cooper	Johnson, R.	Nelson, C.	Rice	Waltman
Dauner	Johnson, V.	Nelson, K.	Richter	Weaver
Dawkins	Kahn	Neuenschwander	Rodosovich	Welle
Dempsey	Kalis	O'Connor	Rukavina	Wenzel
Dille	Kelly	Ogren	Runbeck	Williams
Dorn	Kelso	Olsen, S.	Sarna	Winter
Forsythe	Kinkel	Olson, E.	Schafer	Spk. Vanasek
Frederick	Knickerbocker	Olson, K.	Scheid	
Frerichs	Kostohryz	Omann	Schreiber	
Girard	Krueger	Onnen	Seaberg	

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

S. F. No. 2355, A bill for an act relating to statutes of limitations; establishing a three-year time limit to bring an action for penalty or forfeiture for violation of certain environmental statutes; amending Minnesota Statutes 1989 Supplement, section 541.07; proposing coding for new law in Minnesota Statutes, chapter 575.

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 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Blatz	Dawkins	Gutknecht	Janezich
Anderson, G.	Boo	Dempsey	Hartle	Jaros
Anderson, R.	Brown	Dille	Hasskamp	Jefferson
Battaglia	Burger	Dorn	Haukoos	Jennings
Bauerly	Carlson, D.	Forsythe	Hausman	Johnson, A.
Beard	Carlson, L.	Frederick	Heap	Johnson, R.
Begich	Carruthers	Frerichs	Henry	Johnson, V.
Bennett	Clark	Girard	Himle	Kahn
Bertram	Cooper	Greenfield	Hugoson	Kalis
Bishop	Dauner	Gruenes	Jacobs	Kelly

Kelso	Milbert	Ostrom	Rodosovich	Tjornhom
Kinkel	Miller	Otis	Rukavina	Tompkins
Knickerbocker	Morrison	Ozment	Runbeck	Trimble
Kostohryz	Munger	Pappas	Sarna	Tunheim
Krueger	Murphy	Pauly	Schafer	Uphus
Lasley	Nelson, C.	Pellow	Scheid	Valento
Lieder	Nelson, K.	Pelowski	Schreiber	Vellenga
Limmer	Neuenschwander	Peterson	Seaberg	Wagenius
Long	O'Connor	Poppenhagen	Segal	Waltman
Lynch	Ogren	Price	Simoneau	Weaver
Macklin	Olsen, S.	Pugh	Skoglund	Welle
Marsh	Olson, E.	Quinn	Solberg	Wenzel
McDonald	Olson, K.	Redalen	Sparby	Williams
McEachern	Omann	Reding	Stanius	Winter
McGuire	Onnen	Rest	Steensma	Spk. Vanasek
McLaughlin	Orenstein	Rice	Sviggum	
McPherson	Osthoff	Richter	Swenson	

The bill was passed and its title agreed to.

H. F. No. 2365 was reported to the House.

Pugh moved to amend H. F. No. 2365, the first engrossment, as follows:

Page 3, after line 14, insert:

"Sec. 3. Minnesota Statutes 1988, section 13.41, subdivision 2, is amended to read:

Subd. 2. [PRIVATE DATA.] The following data collected, created or maintained by any licensing agency are classified as private, pursuant to section 13.02, subdivision 12: data, other than their names and addresses, submitted by applicants for licenses; the identity of complainants who have made reports concerning licensees or applicants which appear in inactive complaint data unless the complainant consents to the disclosure; the nature or content of unsubstantiated complaints when the information is not maintained in anticipation of legal action; the identity of patients whose medical records are received by any health licensing agency for purposes of review or in anticipation of a contested matter; inactive investigative data relating to violations of statutes or rules; and the record of any disciplinary proceeding except as limited by subdivision 4. Home addresses of applicants for licensure and licensees, collected by the Board of Peace Officers Standards and Training, are private data. Data collected by Board of Peace Officer Standards and Training that identifies the state agency, statewide system, or political subdivision that employs a licensed peace officer, are private data. The Board of Peace Officer Standards and Training may disseminate private data on applicants and licensees as is necessary to administer law enforcement licensure."

Renumber the following sections

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Marsh, Hugoson, Bertram, Bauerly, Uphus, Onnen, Pugh, Peterson and Gruenes moved to amend H. F. No. 2365, the first engrossment, as amended, as follows:

Page 8, after line 20, insert:

"Sec. 15. Minnesota Statutes 1989 Supplement, section 13.84, subdivision 5a, is amended to read:

Subd. 5a. [PUBLIC BENEFIT DATA.] The responsible authority or its designee of a parole or probation authority or correctional agency may release private or confidential court services data related to: (1) criminal acts to any law enforcement agency, if necessary for law enforcement purposes; and (2) criminal acts or delinquent acts to the victims of criminal or delinquent acts to the extent that the data are necessary for the victim to assert the victim's legal right to restitution. In the case of alleged criminal acts by individuals who are the subjects of data maintained by a parole or probation authority, a correctional agency, or agencies that provide correctional services under contract to a correctional agency, the data that may be released include, but are not limited to, current address, dates of entrance to and departure from agency programs, dates and times of any absences, both authorized and unauthorized, from a correctional program, and any other information that may be helpful to the law enforcement agency in completing its investigation. In the case of delinquent acts, the data that may be released include only the juvenile's name, address, date of birth, and place of employment; the name and address of the juvenile's parents or guardians; and the factual part of police reports related to the investigation of the delinquent act.

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Bishop and Pugh moved to amend H. F. No. 2365, the first engrossment, as amended, as follows:

Page 2, line 11, after "is" insert "a substantial and discrete portion of or"

The motion prevailed and the amendment was adopted.

H. F. No. 2365, A bill for an act relating to the collection and dissemination of data; proposing classifications of data as private and nonpublic; clarifying access to data on decedents; changing classification nomenclature as it relates to medical examiner's data; amending Minnesota Statutes 1988, sections 13.03, subdivision 3; 13.10, subdivision 3; 13.41, subdivision 2; 13.46, subdivision 4; 13.83, subdivisions 4, 5, 7, and 9; Minnesota Statutes 1989 Supplement, sections 13.46, subdivision 2; 13.83, subdivision 8; 13.84, subdivision 5a; 171.06, subdivision 3; 270B.14, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 13; repealing Minnesota Statutes 1988, section 13.641.

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 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Krueger	Onnen	Seaberg
Anderson, G.	Greenfield	Lasley	Orenstein	Segal
Anderson, R.	Gruenes	Lieder	Osthoff	Simoneau
Battaglia	Gutknecht	Limmer	Ostrom	Skoglund
Bauerly	Hartle	Long	Otis	Solberg
Beard	Hasskamp	Lynch	Ozment	Sparby
Begich	Haukoos	Macklin	Pappas	Stanius
Bennett	Hausman	Marsh	Pauly	Steensma
Bertram	Heap	McDonald	Pellow	Sviggum
Bishop	Henry	McEachern	Pelowski	Swenson
Blatz	Himle	McGuire	Peterson	Tjornhom
Boo	Hugoson	McLaughlin	Poppenhagen	Tompkins
Brown	Jacobs	McPherson	Price	Trimble
Burger	Janezich	Milbert	Pugh	Tunheim
Carlson, D.	Jaros	Miller	Quinn	Uphus
Carlson, L.	Jefferson	Morrison	Redalen	Valento
Carruthers	Jennings	Munger	Reding	Vellenga
Clark	Johnson, A.	Murphy	Rest	Wagenius
Cooper	Johnson, R.	Nelson, C.	Rice	Waltman
Dauner	Johnson, V.	Nelson, K.	Richter	Weaver
Dawkins	Kahn	Neuenschwander	Rodosovich	Welle
Dempsey	Kalis	O'Connor	Rukavina	Wenzel
Dille	Kelly	Ogren	Runbeck	Williams
Dorn	Kelso	Olsen, S.	Sarna	Winter
Forsythe	Kinkel	Olson, E.	Schafer	Spk. Vanasek
Frederick	Knickerbocker	Olson, K.	Scheid	
Frerichs	Kostohryz	Omann	Schreiber	

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

S. F. No. 2541, A bill for an act relating to real property; providing

for filing and recording of maps or plats for proposed rights-of-way by local governing bodies; proposing coding for new law in Minnesota Statutes, chapter 505.

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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Lasley	Orenstein	Segal
Anderson, G.	Greenfield	Lieder	Osthoff	Simoneau
Anderson, R.	Gruenes	Limmer	Ostrom	Skoglund
Battaglia	Gutknecht	Long	Otis	Solberg
Bauerly	Hartle	Lynch	Ozment	Sparby
Beard	Hasskamp	Macklin	Pappas	Stanius
Begich	Haukoos	Marsh	Pauly	Steensma
Bennett	Hausman	McDonald	Pellow	Sviggum
Bertram	Heap	McEachern	Pelowski	Swenson
Bishop	Henry	McGuire	Peterson	Tjornhom
Blatz	Himle	McLaughlin	Poppenhagen	Tompkins
Boo	Hugoson	McPherson	Price	Trimble
Brown	Jacobs	Milbert	Pugh	Tunheim
Burger	Janezich	Miller	Quinn	Uphus
Carlson, D.	Jaros	Morrison	Redalen	Valento
Carlson, L.	Jefferson	Munger	Reding	Vellenga
Carruthers	Jennings	Murphy	Rest	Wagenius
Clark	Johnson, A.	Nelson, C.	Rice	Waltman
Cooper	Johnson, R.	Nelson, K.	Richter	Weaver
Dauner	Johnson, V.	Neuenschwander	Rodosovich	Welle
Dawkins	Kalis	O'Connor	Rukavina	Wenzel
Dempsey	Kelly	Ogren	Runbeck	Williams
Dille	Kelso	Olsen, S.	Sarna	Winter
Dorn	Kinkel	Olson, E.	Schafer	Spk. Vanasek
Forsythe	Knickerbocker	Olson, K.	Scheid	
Frederick	Kostohryz	Omann	Schreiber	
Frerichs	Krueger	Onnen	Seaberg	

The bill was passed and its title agreed to.

H. F. No. 2666 which was temporarily laid over earlier today was again reported to the House.

Scheid moved to amend H. F. No. 2666, the second engrossment, as follows:

Page 15, line 21, after "limits" insert ", including those in section 11, subdivision 1,"

The motion prevailed and the amendment was adopted.

Schreiber moved to amend H. F. No. 2666, the second engrossment, as amended, as follows:

Pages 19 and 20, delete section 12

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Schreiber amendment and the roll was called. There were 49 yeas and 82 nays as follows:

Those who voted in the affirmative were:

Bishop	Girard	Lasley	Onnen	Stanius
Blatz	Gruenes	Lynch	Ozment	Sviggum
Burger	Hartle	Macklin	Pauly	Swenson
Carlson, D.	Hasskamp	Marsh	Pellow	Tjornhom
Dauner	Haukoos	McDonald	Poppenhagen	Tompkins
Dempsey	Heap	McPherson	Redalen	Uphus
Dorn	Henry	Miller	Richter	Valento
Forsythe	Himle	Morrison	Schafer	Waltman
Frederick	Hugoson	Olson, K.	Schreiber	Weaver
Frerichs	Johnson, V.	Omann	Seaberg	

Those who voted in the negative were:

Abrams	Hausman	Limmer	Ostrom	Simoneau
Anderson, G.	Jacobs	Long	Otis	Skoglund
Battaglia	Janezich	McEachern	Pappas	Solberg
Bauerly	Jaros	McGuire	Pelowski	Sparby
Beard	Jefferson	McLaughlin	Peterson	Steensma
Begich	Jennings	Milbert	Price	Trimble
Bennett	Johnson, A.	Munger	Pugh	Tunheim
Bertram	Johnson, R.	Murphy	Quinn	Vellenga
Boo	Kahn	Nelson, C.	Reding	Wagenius
Brown	Kalis	Nelson, K.	Rest	Welle
Carlson, L.	Kelly	Neuenschwander	Rice	Wenzel
Carruthers	Kelso	O'Connor	Rodosovich	Williams
Clark	Kinkel	Ogren	Rukavina	Winter
Cooper	Knickerbocker	Olsen, S.	Runbeck	Spk. Vanasek
Dawkins	Kostohryz	Olson, E.	Sarna	
Greenfield	Krueger	Orenstein	Scheid	
Gutknecht	Lieder	Osthoff	Segal	

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

Speaker pro tempore Quinn called Rodosovich to the Chair.

Knickerbocker moved to amend H. F. No. 2666, the second engrossment, as amended, as follows:

Pages 22 to 29, delete Article 3

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Knickerbocker amendment and the roll was called. There were 42 yeas and 81 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Limmer	Pauly	Tjornhom
Anderson, R.	Gruenes	Marsh	Pellow	Tompkins
Bennett	Gutknecht	McPherson	Poppenhagen	Uphus
Bishop	Haukoos	Miller	Redalen	Valento
Boo	Heap	Morrison	Schafer	Waltman
Burger	Himle	Neuenschwander	Schreiber	Weaver
Dille	Hugoson	Olsen, S.	Seaberg	
Frederick	Jacobs	Omann	Sviggum	
Frerichs	Knickerbocker	Onnen	Swenson	

Those who voted in the negative were:

Anderson, G.	Janezich	Macklin	Otis	Skoglund
Battaglia	Jaros	McDonald	Pappas	Solberg
Bauerly	Jefferson	McEachern	Pelowski	Sparby
Beard	Johnson, A.	McGuire	Peterson	Stanius
Begich	Johnson, R.	McLaughlin	Price	Trimble
Bertram	Johnson, V.	Milbert	Pugh	Tunheim
Blatz	Kahn	Munger	Quinn	Vellenga
Brown	Kalis	Murphy	Reding	Wagenius
Carlson, L.	Kelly	Nelson, C.	Rest	Welle
Carruthers	Kelso	Nelson, K.	Rice	Wenzel
Clark	Kinkel	O'Connor	Rodosovich	Williams
Cooper	Kostohryz	Ogren	Rukavina	Winter
Dauner	Krueger	Olson, E.	Runbeck	Spk. Vanasek
Dawkins	Lasley	Olson, K.	Sarna	
Dorn	Lieder	Orenstein	Scheid	
Greenfield	Long	Osthoff	Segal	
Hausman	Lynch	Ostrom	Simoneau	

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

Speaker pro tempore Rodosovich called Quinn to the Chair.

Abrams moved to amend H. F. No. 2666, the second engrossment, as amended, as follows:

Page 29, after line 29, insert:

"Sec. 13. [ATTORNEYS' FEES, COSTS, AND DISBURSEMENTS.]

If a provision of this article is found to be unconstitutional and void, the state shall pay the prevailing party's attorneys' fees, costs, and disbursements related to the action in which the provision is ruled unconstitutional and void."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Abrams amendment and the roll was called. There were 56 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Knickerbocker	Ozment	Swenson
Anderson, R.	Girard	Limmer	Pauly	Tjornhom
Bennett	Gruenes	Lynch	Pellow	Tompkins
Bishop	Gutknecht	Macklin	Poppenhagen	Uphus
Blatz	Hartle	Marsh	Redalen	Valento
Boo	Hasskamp	McDonald	Richter	Waltman
Burger	Haukoos	McPherson	Runbeck	Weaver
Carlson, D.	Heap	Miller	Schafer	Wenzel
Dempsey	Henry	Morrison	Schreiber	
Dille	Himle	Olsen, S.	Seaberg	
Forsythe	Hugoson	Omann	Stanius	
Frederick	Johnson, V.	Onnen	Sviggum	

Those who voted in the negative were:

Anderson, G.	Hausman	McEachern	Otis	Solberg
Battaglia	Janezich	McGuire	Pappas	Sparby
Bauerly	Jefferson	McLaughlin	Pelowski	Steensma
Beard	Jennings	Milbert	Peterson	Trimble
Begich	Johnson, A.	Munger	Price	Tunheim
Bertram	Johnson, R.	Murphy	Pugh	Vellenga
Brown	Kahn	Nelson, C.	Quinn	Wagenius
Carlson, L.	Kalis	Nelson, K.	Reding	Welle
Carruthers	Kelso	Neuenschwander	Rest	Williams
Clark	Kinkel	Ogren	Rice	Winter
Cooper	Kostohryz	Olson, E.	Rodosovich	Spk. Vanasek
Dauner	Krueger	Olson, K.	Scheid	
Dawkins	Lasley	Orenstein	Segal	
Dorn	Lieder	Osthoff	Simoneau	
Greenfield	Long	Ostrom	Skoglund	

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

Schreiber moved to amend H. F. No. 2666, the second engrossment, as amended, as follows:

Page 13, line 21, delete "1992" and insert "1990"

A roll call was requested and properly seconded.

The question was taken on the Schreiber amendment and the roll was called. There were 51 yeas and 78 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Frerichs	Knickerbocker	Ozment	Sviggum
Bennett	Girard	Limmer	Pauly	Swenson
Bishop	Gruenes	Lynch	Pellow	Tjornhom
Blatz	Gutknecht	Macklin	Poppenhagen	Tompkins
Boo	Hartle	Marsh	Redalen	Valento
Burger	Haukoos	McDonald	Richter	Waltman
Carlson, D.	Heap	McPherson	Runbeck	Weaver
Dempsey	Henry	Miller	Schafer	
Dille	Himle	Morrison	Schreiber	
Forsythe	Hugoson	Omann	Seaberg	
Frederick	Johnson, V.	Onnen	Stanius	

Those who voted in the negative were:

Abrams	Hasskamp	Long	Otis	Skoglund
Anderson, G.	Hausman	McEachern	Pappas	Solberg
Battaglia	Jacobs	McGuire	Pelowski	Sparby
Bauerly	Janezich	McLaughlin	Peterson	Steensma
Beard	Jaros	Milbert	Price	Trimble
Begich	Jefferson	Munger	Pugh	Tunheim
Bertram	Jennings	Murphy	Quinn	Uphus
Brown	Johnson, A.	Nelson, C.	Reding	Vellenga
Carlson, L.	Johnson, R.	Nelson, K.	Rest	Wagenius
Carruthers	Kahn	Neuenschwander	Rice	Welle
Clark	Kelly	O'Connor	Rodosovich	Wenzel
Cooper	Kelso	Ogren	Rukavina	Williams
Dauner	Kinkel	Olson, E.	Sarna	Winter
Dawkins	Krueger	Orenstein	Scheid	Spk. Vanasek
Dorn	Lasley	Osthoff	Segal	
Greenfield	Lieder	Ostrom	Simoneau	

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

Bishop and Otis moved to amend H. F. No. 2666, the second engrossment, as amended, as follows:

Page 29, after line 29, insert:

"Sec. 13. Minnesota Statutes 1988, section 204D.03, subdivision 1, is amended to read:

Subdivision 1. [STATE PRIMARY.] The state primary shall be held on the first Tuesday after the second Monday in ~~September~~ July

in each even-numbered year to select the nominees of the major political parties for partisan offices and the nominees for nonpartisan offices to be filled at the state general election, other than presidential electors."

Renumber sections accordingly

Correct internal references

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

Sviggum moved to amend H. F. No. 2666, the second engrossment, as amended, as follows:

Page 29, after line 25, insert:

"Sec. 12. [10A.52] [CONTRIBUTION LIMITATIONS.]

A congressional candidate may receive no more than 40 percent of the candidate's campaign contributions from political committees as defined in United States Code, title 2, section 431, paragraph (4)(A) or (B)."

Renumber the remaining sections

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "limiting certain contribution receipts by congressional candidates;"

A roll call was requested and properly seconded.

The question was taken on the Sviggum amendment and the roll was called. There were 124 yeas and 6 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Carruthers	Gruenes	Jefferson	Limmer
Anderson, R.	Clark	Gutknecht	Jennings	Long
Battaglia	Cooper	Hartle	Johnson, A.	Lynch
Bauerly	Dauner	Hasskamp	Johnson, R.	Macklin
Beard	Dawkins	Haukoos	Johnson, V.	Marsh
Begich	Dempsey	Hausman	Kahn	McDonald
Bertram	Dille	Heap	Kalis	McEachern
Bishop	Dorn	Henry	Kelso	McGuire
Blatz	Forsythe	Himle	Kinkel	McLaughlin
Boo	Frederick	Hugoson	Kostohryz	McPherson
Brown	Frerichs	Jacobs	Krueger	Milbert
Carlson, D.	Girard	Janezich	Lasley	Miller
Carlson, L.	Greenfield	Jaros	Lieder	Morrison

Munger	Ostrom	Redalen	Simoneau	Uphus
Murphy	Otis	Reding	Skoglund	Valento
Nelson, C.	Ozment	Rest	Solberg	Vellenga
Nelson, K.	Pappas	Rice	Sparby	Wagenius
Neuenschwander	Pauly	Richter	Stanius	Waltman
O'Connor	Pellow	Rodosovich	Steensma	Weaver
Ogren	Pelowski	Rukavina	Sviggum	Welle
Olson, E.	Peterson	Runbeck	Swenson	Wenzel
Olson, K.	Poppenhagen	Sarna	Tjornhom	Williams
Omann	Price	Schafer	Tompkins	Winter
Onnen	Pugh	Schreiber	Trimble	Spk. Vanasek
Orenstein	Quinn	Segal	Tunheim	

Those who voted in the negative were:

Abrams	Knickerbocker	Scheid
Bennett	Osthoff	Seaberg

The motion prevailed and the amendment was adopted.

Knickerbocker moved to amend H. F. No. 2666, the second engrossment, as amended, as follows:

Page 4, line 4, delete "for the legislature"

A roll call was requested and properly seconded.

The question was taken on the Knickerbocker amendment and the roll was called. There were 127 yeas and 5 nays as follows:

Those who voted in the affirmative were:

Abrams	Greenfield	Lieder	Orenstein	Simoneau
Anderson, G.	Gruenes	Limmer	Osthoff	Skoglund
Anderson, R.	Gutknecht	Long	Ozment	Solberg
Battaglia	Hartle	Lynch	Pappas	Sparby
Bauerly	Hasskamp	Macklin	Pauly	Stanius
Beard	Haukoos	Marsh	Pellow	Steensma
Begich	Hausman	McDonald	Pelowski	Sviggum
Bennett	Heap	McEachern	Peterson	Swenson
Bertram	Henry	McGuire	Poppenhagen	Tjornhom
Bishop	Himle	McLaughlin	Price	Tompkins
Blatz	Hugoson	McPherson	Pugh	Trimble
Boo	Jacobs	Milbert	Quinn	Tunheim
Burger	Janezich	Miller	Redalen	Uphus
Carlson, D.	Jefferson	Morrison	Reding	Valento
Carlson, L.	Jennings	Munger	Rest	Vellenga
Carruthers	Johnson, A.	Murphy	Rice	Wagenius
Clark	Johnson, R.	Nelson, C.	Richter	Waltman
Cooper	Johnson, V.	Nelson, K.	Rodosovich	Weaver
Dauner	Kahn	Neuenschwander	Rukavina	Welle
Dawkins	Kalis	O'Connor	Runbeck	Wenzel
Dempsey	Kelso	Ogren	Sarna	Williams
Dorn	Kinkel	Olsen, S.	Schafer	Winter
Forsythe	Knickerbocker	Olson, E.	Scheid	Spk. Vanasek
Frederick	Kostohryz	Olson, K.	Schreiber	
Frerichs	Krueger	Omann	Seaberg	
Girard	Lasley	Onnen	Segal	

Those who voted in the negative were:

Brown Dille Jaros Ostrom Otis

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

Gutknecht; Abrams; Weaver; Olsen, S.; Miller; Girard; McPherson; Stanius and Haukoos moved to amend H. F. No. 2666, the second engrossment, as amended, as follows:

Page 4, after line 35, insert:

"Sec. 6. [10A.175] [TRANSFERS BY LEGISLATORS.]

No member of the legislature may transfer money to a candidate or any campaign committee of the candidate from more than one committee or fund containing that member's name, legislative office, or legislative position or set up by that member to elect or defeat a candidate."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

Lasley moved to amend the Gutknecht et al amendment to H. F. No. 2666, the second engrossment, as amended, as follows:

Page 1, line 4, delete "LEGISLATORS" and insert "MEMBERS OF THE UNITED STATES CONGRESS"

Page 1, line 5, delete "legislature" and insert "United States congress"

Page 1, line 6, after the first "candidate" insert "for the legislature or other state office" and delete "more"

Page 1, line 7, delete "than one" and insert "any"

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called. There were 81 yeas and 50 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Henry	Marsh	Ozment	Skoglund
Battaglia	Jacobs	McEachern	Pappas	Solberg
Bauerly	Janezich	McGuire	Pauly	Sparby
Beard	Jaros	McLaughlin	Pelowski	Steensma
Begich	Jefferson	Milbert	Peterson	Trimble
Bertram	Jennings	Munger	Price	Uphus
Brown	Johnson, A.	Murphy	Pugh	Vellenga
Carlson, L.	Johnson, R.	Nelson, C.	Quinn	Wagenius
Carruthers	Kahn	Nelson, K.	Redalen	Welle
Clark	Kalis	Neuenschwander	Rest	Wenzel
Cooper	Kelso	O'Connor	Rice	Williams
Dauner	Kinkel	Ogren	Rodosovich	Winter
Dawkins	Kostohryz	Olson, E.	Rukavina	Spk. Vanasek
Dorn	Krueger	Olson, K.	Sarna	
Greenfield	Lasley	Orenstein	Scheid	
Hasskamp	Lieder	Ostrom	Segal	
Hausman	Long	Otis	Simoneau	

Those who voted in the negative were:

Abrams	Forsythe	Hugoson	Olsen, S.	Seaberg
Anderson, R.	Frederick	Johnson, V.	Omann	Stanius
Bennett	Frerichs	Knickerbocker	Onnen	Sviggum
Bishop	Girard	Limmer	Osthoff	Swenson
Blatz	Gruenes	Lynch	Pellow	Tjornhom
Boo	Gutknecht	Macklin	Poppenhagen	Tompkins
Burger	Hartle	McDonald	Richter	Tunheim
Carlson, D.	Haukoos	McPherson	Runbeck	Valento
Dempsey	Heap	Miller	Schafer	Waltman
Dille	Himle	Morrison	Schreiber	Weaver

The motion prevailed and the amendment to the amendment was adopted.

Abrams moved to amend the Gutknecht et al amendment, as amended, to H. F. No. 2666, the second engrossment, as amended, as follows:

Page 1, line 4, after "MEMBERS OF THE UNITED STATES CONGRESS" insert "OR LEGISLATORS"

Page 1, line 5, after "United States congress" insert "or legislature"

A roll call was requested and properly seconded.

Gutknecht incorporated the Abrams amendment to the Gutknecht et al amendment, as amended.

Long moved to amend the Gutknecht et al amendment, as amended, to H. F. No. 2666, the second engrossment, as amended, as follows:

Page 1, line 4, after "MEMBERS OF THE UNITED STATES CONGRESS" strike "OR LEGISLATORS"

Page 1, line 5, after "United States congress" delete "or legislature"

A roll call was requested and properly seconded.

POINT OF ORDER

Olsen, S., raised a point of order pursuant to section 398, paragraph 1, of "Mason's Manual of Legislative Procedure" relating to decisions on amendments as final. The Speaker ruled the point of order not well taken.

POINT OF ORDER

Olsen, S., raised a point of order pursuant to section 401, paragraph 4, of "Mason's Manual of Legislative Procedure" relating to frivolous and improper amendments. The Speaker ruled the point of order not well taken.

POINT OF ORDER

Schreiber raised a point of order pursuant to rule 3.1 relating to amendments and other motions. The Speaker ruled the point of order not well taken.

POINT OF ORDER

Himle raised a point of order pursuant to rule 3.8 relating to amendments to amendments. The Speaker ruled the point of order not well taken.

Long withdrew her amendment to the Gutknecht et al amendment, as amended.

Gutknecht withdrew the Gutknecht et al amendment, as amended, to H. F. No. 2666, the second engrossment, as amended.

Gutknecht; Abrams; Weaver; Olsen, S.; Miller; Girard; McPherson; Stanius and Haukoos moved to amend H. F. No. 2666, the second engrossment, as amended, as follows:

Page 4, after line 35, insert:

"Sec. 6. [10A.175] [TRANSFERS BY LEGISLATORS.]

No member of the legislature may transfer money to a candidate or any campaign committee of the candidate from more than one committee or fund containing that member's name, legislative office, or legislative position or set up by that member to elect or defeat a candidate."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 2666, A bill for an act relating to elections; limiting campaign expenditures by congressional candidates who choose to receive a public subsidy for their campaigns; limiting certain contribution receipts by congressional candidates; clarifying and modifying certain exceptions to multicandidate political party expenditure limitations; modifying lobbyist reporting requirements; expanding certain reports by certain political committees and political funds; discontinuing the state ethical practices board's responsibility for developing and furnishing certain forms; providing an income tax credit for contributions to state candidates and political parties; limiting contributions and solicitations during a regular legislative session; providing a public subsidy for legislative candidates in special elections; requiring candidates to match funds received from the state elections campaign fund; requiring deer licenses to include an application for absentee ballots; requiring county auditors to provide a sample ballot for classroom use; specifying a time period for preparing a candidate's affidavit; providing penalties; amending Minnesota Statutes 1988, sections 10A.01, subdivisions 7 and 10b; 10A.02, subdivision 1; 10A.04, subdivisions 2, 4, and 4a; 10A.05; 10A.20, subdivision 3; 10A.24; 10A.25, subdivision 10, and by adding a subdivision; 10A.255, by adding a subdivision; 10A.27, subdivisions 1 and 4; 10A.275; 10A.28, subdivision 1; 10A.30, subdivision 2; 10A.33; 97A.485, by adding a subdivision; 204B.09, subdivision 1; 204D.03, subdivision 1; 290.06, by adding a subdivision; and 383B.055, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 10A; and 204D; repealing Minnesota Statutes 1988, sections 10A.27, subdivision 5; 10A.32, subdivisions 1, 2, 3, and 4; and 211B.11, subdivision 2; Minnesota Statutes 1989 Supplement, section 10A.32, subdivision 3a.

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 127 yeas and 3 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Girard	Lieder	Osthoff	Simoneau
Anderson, R.	Greenfield	Limmer	Ostrom	Skoglund
Battaglia	Gruenes	Long	Otis	Solberg
Bauerly	Gutknecht	Lynch	Ozment	Sparby
Beard	Hartle	Macklin	Pappas	Stanius
Begich	Hasskamp	Marsh	Pauly	Steensma
Bennett	Haukoos	McDonald	Pellow	Sviggum
Bertram	Hausman	McEachern	Pelowski	Swenson
Bishop	Heap	McGuire	Peterson	Tjornhom
Blatz	Henry	McLaughlin	Poppenhagen	Tompkins
Boo	Himle	McPherson	Price	Trimble
Brown	Hugoson	Milbert	Pugh	Tunheim
Burger	Jacobs	Miller	Quinn	Uphus
Carlson, D.	Janezich	Morrison	Redalen	Valento
Carlson, L.	Jaros	Munger	Reding	Vellenga
Carruthers	Jefferson	Murphy	Rest	Wagenius
Clark	Jennings	Nelson, C.	Richter	Waltman
Cooper	Johnson, A.	Nelson, K.	Rodosovich	Weaver
Dauner	Johnson, R.	Neuenschwander	Rukavina	Welle
Dawkins	Johnson, V.	O'Connor	Runbeck	Wenzel
Dempsey	Kahn	Ogren	Sarna	Williams
Dille	Kalis	Olsen, S.	Schafer	Winter
Dorn	Kinkel	Olson, E.	Scheid	Spk. Vanasek
Forsythe	Kostohryz	Olson, K.	Schreiber	
Frederick	Krueger	Omann	Seaberg	
Frerichs	Lasley	Orenstein	Segal	

Those who voted in the negative were:

Abrams	Knickerbocker	Onnen

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

Long moved that the remaining bills on Special Orders for today be continued. The motion prevailed.

GENERAL ORDERS

Long moved that the remaining bills on General Orders for today be continued. The motion prevailed.

There being no objection, the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 2419, A bill for an act relating to finance; appropriating money to the Mississippi headwaters board.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

STATE DEPARTMENTS

Section 1. [STATE DEPARTMENTS; APPROPRIATIONS.]

The sums shown in the columns marked "APPROPRIATIONS" are added to, or if shown in parentheses, are subtracted from the appropriations in Laws 1989, chapter 335, to the specified agencies and for the purposes specified in this act. The figures "1990," and "1991," where used in this act, mean that the appropriations or reductions listed under them are available for the year ending June 30, 1990, or June 30, 1991, respectively.

SUMMARY BY FUND

	1990	1991	TOTAL
General	$(2,213,000)	$(18,450,000)	$(20,063,000)
Special Revenue	0	422,000	422,000
Game and Fish	0	(837,000)	(837,000)
Trunk Highway	0	(15,000)	(15,000)
Highway User	0	(37,000)	(37,000)
Workers' Comp.	0	(292,000)	(292,000)
Metro Landfill Abatement	0	(33,000)	(33,000)
Metro Landfill Contingency	0	(16,000)	(16,000)
Minnesota Resources	0	(215,000)	(215,000)
Motor Vehicle Transfer	0	(75,000)	(75,000)
Petroleum Cleanup	0	(33,000)	(33,000)
TOTAL	$(2,213,000)	$(19,581,000)	$(21,794,000)

	APPROPRIATIONS Available for the Year Ending June 30	
	1990	1991
Sec. 2. LEGISLATURE		
Subdivision 1. Senate		(440,000)
Subd. 2. House of Representatives		(560,000)
Subd. 3. Legislative Coordinating Commission		
This reduction is from the legislative commission on pensions and retirement.		(300,000)
This reduction is from the amount appropriated to the legislative commission on fiscal policy in Laws 1989, article 1, section 2, for the biennium and is transferred to the house of representatives.		
Elimination of the water commission		(87,000)
Notwithstanding any other law to the contrary, any unencumbered balance at the end of the fiscal year appropriated to the public education commission in Laws 1989, chapter 329, article 11, section 15, subdivision 7, shall cancel to the general fund and the public education commission is abolished.		
This appropriation is to the revisor of statutes for costs associated with additional printing of special session and supplemental statutes and expansion of the computer room.	105,000	85,000
This appropriation and the amount appropriated by Laws 1989, chapter 335, article 1, section 2, subdivision 4, paragraph (k), for the subcommittee on redistricting are available until June 30, 1993.		500,000

	1990	1991
	$	$
This appropriation is to the legislative coordinating commission contingent account for litigation expenses to affirm constitutional budgetary processes.		100,000
The legislative auditor shall conduct a program audit of the reinvest in Minnesota program during fiscal year 1991.		
The commissioner of finance, upon recommendation of the legislative commission on Minnesota resources, shall reduce the appropriations for the projects funded in Laws 1989, chapter 335, article 1, section 29, by $215,000.		(215,000)
The appropriation in Laws 1989, chapter 335, article 1, section 29, subdivision 11, paragraph (j), from the legislative commission on Minnesota resources for a study of wetland plant communities, is available until December 31, 1991.		
Sec. 3. SUPREME COURT		
(a) This appropriation is to the state court administrator and is a one-time grant to match a federal Department of Justice grant to train judges in the extent of drug use and drug laws.		5,000
This appropriation is contingent on the court receiving the federal grant.		
(b) This appropriation is to the state court administrator and is a one-time grant to match a federal Department of Justice grant for development and implementation of court case management strategies. This appropriation is contingent on the court receiving the federal grant.		150,000
Sec. 4. COURT OF APPEALS		(353,000)

	1990	1991
	$	$
The complement is reduced by eight positions for fiscal year 1991.		
Sec. 5. TRIAL COURTS		
Subdivision 1. Agency Supplemental Appropriations		
(a) $750,000 is for fiscal year 1991 for funding of the eighth district court financing project including court costs and public defense costs.		750,000
(b) Funding for the eighth district court financing project beyond July 1, 1991, shall be continued as part of the base budget for the supreme court. The pilot project shall be treated as a separate program in the court budget.		
(c) This is a one-time appropriation to the supreme court in consultation with the judges of the seventh judicial district for development and implementation of a pilot project for a mediation service program to resolve contested issues of child custody and visitation in Clay county. The appropriation does not cancel. The pilot project shall run from July 1, 1990, through June 30, 1992. The supreme court shall report on the results of the project to the 1993 legislature.		100,000
Subd. 2. Agency Reductions		(333,000)
The complement is reduced by four positions in fiscal year 1991.		
Sec. 6. BOARD OF PUBLIC DEFENSE		
(a) Hennepin county shall continue to provide suitable office space and associated costs, including space and costs for the office of public defender in the Hennepin county government center. Payments of rent for office space by the state board of public defense for district		

	1990	1991
	$	$
public defenders in the second and fourth judicial districts is limited to the amount included for such purposes in the appropriations for state takeover of public defense costs in Laws 1989, chapter 335, article 1, section 7. Any changes in office space must be done only after consultation with the state board of public defense.		
(b) Reduction in attorney increases		(68,000)
Sec. 7. GOVERNOR AND LIEUTENANT GOVERNOR		
(a) $765,000 and 11.5 positions in the general fund and $475,000 and 4.5 positions in the special revenue fund for the environmental quality board and the Washington office are transferred to the office of the governor. This transfer is contingent upon passage of article 5.		
(b) General Reduction		(130,000)
Sec. 8. SECRETARY OF STATE		
The secretary of state shall provide walk-up counter service during regular business hours. The secretary of state may transfer funds from other programs to fund walk-up service.		
Sec. 9. STATE TREASURER		(57,000)
The position of deputy treasurer is abolished.		
Sec. 10. ATTORNEY GENERAL		
Subdivision 1. Supplemental Appropriations		

	1990	1991
	$	$
(a) This is a one-time appropriation to match a federal Department of Justice grant to prosecute drug-related cases. This appropriation is contingent on the office receiving the federal matching money. The complement of the office is increased by two positions.		49,000
(b) This appropriation is for prosecution of lawful gambling cases and criminal tax cases referred from the department of revenue. The complement of the office is increased by one position.		70,000
Subd. 2. Agency Reductions Unanticipated legal costs account		(50,000)
Sec. 11. ADMINISTRATIVE HEARINGS		(70,000)
The complement of the office is reduced by one administrative law judge position. This reduction is from the workers' compensation special fund.		
Sec. 12. ADMINISTRATION		
Subdivision 1. Special Revenue Reduction		(151,000)
This reduction shall include reduction of three complement positions.		
Subd. 2. Agency General Fund Budget Reduction		(128,000)
This reduction is to be distributed as follows:		
(1) $100,000 of this reduction is from public broadcasting equipment grants.		
(2) Reduction of the general fund appropriation for SCORE by $28,000.		
Subd. 3. Agency Supplemental Adjustment		

	1990	1991
	$	$
(a) The following additions are made to the agency's budget:		
(1) For legal fees incurred by use of private counsel for an asbestos removal lawsuit from which the state shall receive $400,000 in settlement fees.		133,000
(2) For a construction grant to Minnesota Public Radio for ongoing construction at the Duluth station.		30,000
(b) $1,393,000 in general fund and 24 general fund complement positions are transferred from the state planning land management information center and the state demographer's office. In addition, 22 special revenue fund positions are transferred from the state planning agency. This appropriation is contingent upon passage of article 4.		1,393,000
(c) $400,000 shall be transferred from the computer services revolving fund to the STARS revolving fund to be used for STARS planning. In addition, the commissioner shall have the authority to consider service charges for operation of STARS in calculating service rates for the computer services revolving fund. Notwithstanding any other law to the contrary, any telecommunications network established for the state operated lottery, shall be planned in conjunction with STARS.		
(d) Notwithstanding any law to the contrary, no further geographic information systems projects shall be undertaken until the information policy office has completed an architectural standard for geographic information systems and current planning projects for geographic information systems are completed.		

	1990	1991
	$	$
(e) The division of property management shall complete a statewide building inventory by January 1, 1992.		
(f) Notwithstanding any law to the contrary, all metered parking on Aurora Avenue between Cedar Street and Constitution Avenue must be made available to the public at all times.		
(g) The commissioner, in cooperation with the commissioner of finance, shall study and report to the legislature by January 1, 1991, alternatives for providing building maintenance and repair services to state-owned buildings. This study shall focus on alternatives that will make minor repairs less dependent on capital budget appropriations than the current system.		
(h) Notwithstanding any law to the contrary, the commissioner shall not enter into any lease agreement for state offices that involve rental increases until an appropriation for increased rental has been made by the legislature for the specific relocation involved.		
Sec. 13. CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD		
This reduction is for consultant services related to promoting capitol mall events.		(13,000)
Sec. 14. FINANCE		
(a) The agency budget reduction is to be distributed as follows:		(78,000)
Elimination of the deputy commissioner of finance.		
(b) The commissioner shall reduce the budget base for the agency by five percent as part of the 1992-1993 biennial		

	1990	1991
	$	$

budget and present a plan for implementation of that reduction as part of the budget document submitted in January 1991.

(c) If the appropriation for increased costs of operation of the biennial budget system made in Laws 1989, chapter 335, section 17, is insufficient for either year of the biennium, the appropriation for the other is available.

(d) The commissioner of finance shall submit to the chairs of the house appropriations and senate finance committees quarterly updates of the annual financial report submitted in accordance with Minnesota Statutes, chapter 16A.

Sec. 15. EMPLOYEE RELATIONS

(a) The commissioner shall have sole responsibility for the classification, reclassification, and position descriptions for civil service attorneys and the attorney series in executive branch agencies. The commissioner may not delegate this authority to any other agency or office.

(b) Notwithstanding any law to the contrary, the commissioner shall have authority over the position descriptions and hiring of attorney positions in the constitutional offices.

(c) Funding for the career development grants program may be expended in either year of the biennium.

(d) Funding for the pilot project on education and retraining appropriated in Laws 1989, chapter 335, article 1, section 18, subdivision 5, is available either year of the biennium.

	1990	1991
	$	$
(e) For costs related to streamlining and reducing the size of state government.		100,000
Sec. 16. REVENUE		
Subdivision 1. Agency Reductions		(1,550,000)

The agency budget reduction is to be distributed as follows:

(1) For the closing of the two remaining metropolitan offices, for elimination of the duplicate certificate of rent paid, for elimination of part-time assessor training, for elimination of the tax abatement processing function, for the reduction of the appropriation in Laws 1989, chapter 277, article 2, section 34, and a base level reduction. The complement of the department is reduced by four positions. The reduction may be taken in either year of the biennium.

(2) This reduction is in the highway user tax fund appropriation. The complement is reduced by one position. (37,000)

(3) $200,000 of the appropriation for the taxpayer accounts system in Laws 1989, chapter 335, article 1, section 19, is available the second year of the biennium for the document processing systems.

(4) The department shall develop a method of accurately accounting for sales tax receipts from solid waste collection and disposal services. This must include the ability to provide monthly reports on the actual amount of revenue collected from the sales tax on solid waste collection and disposal services.

(5) Any sales tax processing module developed by the department shall have the capability to provide various rate changes and identify the type of business or entity submitting the sales tax.

	1990	1991
	$	$
Subd. 2. Supplemental Appropriations		
(a) This appropriation is for implementation of the portions of the 1989 tax bill related to the unrelated business income tax. The complement of the department is increased by one position.		65,000
(b) Of this appropriation, $50,000 is for fiscal year 1990 and $350,000 for fiscal year 1991. Five investigators and two support staff are added to the department of revenue criminal division. The investigators shall be in the unclassified service. The commissioner shall establish a separate unit within the criminal investigation division to investigate violations related to all aspects of lawful gambling. The commissioner shall give a priority within the division to cases that involve violations of the laws governing lawful gambling and shall provide the criminal division with the support resources necessary to carry out its responsibilities. Notwithstanding any law to the contrary, the criminal investigation unit shall use its existing authority to investigate any potential criminal activity related to lawful gambling. Upon completion of the investigations, the division may refer them to the attorney general for prosecution. The commissioner of revenue shall report to the legislature no later than January 31, 1992, on the results of the division's investigations.		400,000
(c) On July 1, 1990, the commissioner of finance shall transfer $60,000 from the heat applied cigarette tax stamp revolving account to the general fund.		
Sec. 17. NATURAL RESOURCES		
Subdivision 1. Agency Budget Reduction		

	1990	1991
	$	$

SUMMARY BY FUND

	1990	1991
General	(50,000)	(800,000)
Forest		(138,000)
Con. Con.		(5,000)
Nongame		(29,000)
Water Recreation		(201,000)
Game and Fish		(987,000)

The commissioner shall reduce the full-time equivalency positions assigned to the department by 34 in addition to the reductions identified below for a total reduction of 42.

This general fund reduction is to be distributed as follows:

(1) Elimination of the director of fish and wildlife position and the creation of a division of fisheries and a division of wildlife.

(2) The commissioner shall reassign the public access program and fishing pier program to the division of fisheries with the current personnel.

(3) Reduction of the minerals diversification activity by $200,000 in fiscal year 1991.

(4) Reduction of the fiscal year 1991 shoreland management grants by $200,000.

(5) Reduction of the fiscal year 1991 groundwater program by $300,000 and three full-time equivalency positions.

(6) Reduction of the beaver dam control program by $50,000.

(7) Repeal of the wild rice grant given to Aitkin Growth, Inc. for $50,000 each year.

	1990	1991
	$	$
(8) Five full-time equivalency position reductions from the appropriation made in Laws 1989, chapter 335, article 1, section 21, for reinvest in Minnesota management. In addition, the commissioner shall direct $500,000 of the 1991 appropriation for RIM to wetland preservation, placing a priority on public lands.		
Subd. 2. Agency Supplemental Appropriations		
(a) This appropriation is from the general fund in fiscal year 1991 for a grant to the forest resource center for a shiitake mushroom demonstration project. This grant is contingent upon receipt of matching funds at least equal to the amount of the grant.		138,000
(b) For a grant to the Mississippi Headwaters Board.		50,000
(c) For a tree planting for carbon dioxide absorption study.		25,000
(d) $500,000 is appropriated in fiscal year 1991 from the snowmobile account for snowmobile grants-in-aid.		
(e) $100,000 is appropriated in fiscal year 1990 from the nongame wildlife account and is to be used for administrative costs associated with implementation of the corporate nongame checkoff. Eurasian watermilfoil control projects shall be eligible to receive nongame wildlife funding in preparing the 1992-1993 biennial budget requests. Any unencumbered balance at the end of the first fiscal year does not cancel and is available for the second year.		
(f) $150,000 is appropriated in fiscal year 1991 from the game and fish fund for repair of the French River Hatchery Dam.		
(g) $500,000 is appropriated from the all-terrain vehicle account and is to be		

	1990	1991
	$	$

used as grants-in-aid for trail maintenance on multiple use trails. Grants are to be issued to counties with all-terrain vehicle organizations and snowmobile organizations that have entered into multiple use agreements for trails that currently qualify for snowmobile grants-in-aid trails under Minnesota Statutes, section 84.83.

(h) Any unencumbered balance at the end of the first fiscal year that was appropriated by Laws 1989, chapter 335, section 21, subdivision 3, for shoreland management grants does not cancel and is available for the second year.

(i) Any unencumbered balance remaining in the appropriation for acquisition of Grand Portage state park in Laws 1989, chapter 259, section 9, subdivision 1, may be transferred to the appropriation in Laws 1989, chapter 259, section 9, subdivision 2, for acquisition in Sibley state park following completion of the Grand Portage acquisition.

(j) Notwithstanding any other law to the contrary, the commissioner shall have the authority to receive and expend $150,000 in federal funds in fiscal year 1990 and $275,000 in federal funds in fiscal year 1991 for oak wilt control and the state mine waste program.

(k) The commissioner shall conduct a study to identify criteria that could be used to develop a program for transferring control of certain state parks to local units of government. The study shall include an analysis of possible incentives for local units to assume management responsibility. The report shall be presented to the legislature by January 1, 1991.

(l) Notwithstanding any other law to the contrary, no political subdivision

	1990	1991
	$	$
shall condemn or remove any bridges on the Blue Ox Trail in Beltrami county that have not first been declared unsafe by the Minnesota department of transportation.		
Sec. 18. ZOOLOGICAL BOARD		$230,000
$100,000 is for the operation and maintenance of the coral reef shark exhibit. $130,000 is a one-time grant for installation, operation, and maintenance of a temporary animated exhibit for the entertainment and education of zoo visitors. The complement of the zoological garden is increased by two positions for the coral reef shark exhibit.		

Sec. 19. POLLUTION CONTROL AGENCY

Subdivision 1. Agency Budget Reduction

SUMMARY BY FUND

	1990	1991	POSITIONS
General		(2,259,000)	(20)
Special Revenue		(93,000)	(2)
Environmental		(82,000)	(2)
Metro Landfill Abatement		(33,000)	
Metro Landfill Contingent		(16,000)	
Petro Cleanup		(33,000)	(1)
Motor Vehicle Transfer		(70,000)	(1)

The agency general fund reduction is distributed as follows:

(1) $459,000 of the money appropriated for fiscal year 1991 in Laws 1989, First Special Session chapter 1, article 24, section 1, is reduced.

(2) $800,000 and 20 positions are reduced from the water pollution control program. In addition, the agency general fund budget base for the 1992-1993 biennium shall be reduced by an

	1990	1991
	$	$
additional seven positions and $280,000.		
(3) $1,000,000 of the money appropriated from the general fund in Laws 1989, chapter 335, article 1, section 23, subdivision 4, for transfer to the environmental response compensation and compliance fund is reduced.		
Subd. 2. Supplemental Appropriations		
(a) The approved complement for the agency from the building fund is established at 23 for administration of the wastewater treatment grants program.		
(b) Any unencumbered balance remaining at the end of the first year in the general fund appropriation in Laws 1989, chapter 335, section 23, subdivision 2, to the capital cost component program under Minnesota Statutes, section 116.18, subdivision 3b, is not canceled and is transferred to the individual on-site treatment under Minnesota Statutes, section 116.18, subdivision 3c.		
(c) This appropriation for fiscal year 1991 is for distribution as grants in the individual on-site treatment program under Minnesota Statutes, section 116.18, subdivision 3c.		250,000
(d) $80,000 in fiscal year 1991 is appropriated from the environmental fund for the site response property transfer program.		
(e) The agency's federal fund complement is reduced by three and the special revenue complement is increased by three to reflect a change in the method used to account for federal indirect costs.		

	1990	1991
	$	$
(f) The commissioner, in cooperation with the state auditor, the Minnesota Association of Counties, and representatives of county government shall study the status of county landfill abatement funds and present alternatives for possible consolidation of these funds for regional landfill abatement. The study shall also investigate the relationship between the county landfill abatement funds and the state funds available for landfill abatement. The study shall present alternatives and recommendations to the legislature for consideration during the 1991 legislative session.		
Sec. 20. OFFICE OF WASTE MANAGEMENT		
Subdivision 1. Agency Budget Reduction	(200,000)	(2,734,000)
This reduction is distributed as follows:		
(1) $200,000 from the first year for salary savings.		
(2) $500,000 in the general fund in fiscal year 1991 and 16 general fund complement positions are reduced from the appropriations made in Laws 1989, First Special Session chapter 1, article 23, section 1.		
(3) $1,000,000 in the general fund in fiscal year 1991 is reduced from the appropriations made in Laws 1989, First Special Session chapter 1, article 24, section 2, subdivision 2. In addition, the agency shall have authority to transfer funds between the programs identified in Laws 1989, First Special Session chapter 1, article 24, section 2, subdivision 2.		
(4) $1,234,000 reduction in the SCORE grants to counties as identified in Laws		

	1990	1991
	$	$

1989, First Special Session chapter 1, article 24, section 2.

(5) The agency's authorized complement is increased by 4 positions for administration of the capital assistance program. These positions shall sunset on June 30, 1993.

(6) Notwithstanding any other law to the contrary, any outstanding obligations that may be held in St. Louis county for grants issued to the county for construction or operation of the Babbitt waste tire facility under Minnesota Statutes 1986, section 116M.07; Minnesota Statutes, sections 115A.54, subdivision 2a; or 298.22, shall be suspended until June 30, 1993.

Sec. 21. TRADE AND ECONOMIC DEVELOPMENT

Subdivision 1. Agency Supplemental Appropriations

(a) $500,000 of the agricultural and economic development account established in Minnesota Statutes, section 41A.05, subdivision 1, is transferred to the capital access account in the special revenue fund created in Minnesota Statutes, section 116J.876, subdivision 4, for guaranteeing loans under the capital access program. Any remaining balance shall cancel to the general fund.

(b) This appropriation is a one time appropriation. 865,000

(1) $500,000 is for the job skills partnership for aviation training. This amount is not subject to the grant limits under Minnesota Statutes, section 116L.04. This portion of the appropriation does not cancel and is available until expended.

	1990	1991
	$	$
(2) $70,000 is for the job skills partnership for a training program for waste combustor operators.		
(3) $75,000 is for the office of tourism for promotion of hydroplane boating on Lake Pepin.		
(4) $80,000 is for the Minnesota trade office for awarding grants to nonprofit organizations to support cultural and educational exchange programs that may lead to long-term trading relations. Grants must be matched with at least $3 of nonpublic funds for every dollar of state grant funds awarded under this provision.		
(5) $30,000 is for a grant to the region 1 development commission for international trade and promotion activities. The commission must cooperate with similar organizations in North Dakota and Manitoba.		
(6) $110,000 is for the purposes of planning, engineering, and acquisition of a public facilities authority in a tourism-intensive city.		
(c) $377,000 and one position are transferred from the state planning agency to the department of trade and economic development for regional development commissions. Funding for the regional development commissions sunsets on June 30, 1991, and shall not be a part of the base level funding for the department. This transfer is contingent on passage of article 4.		377,000
(d) Of the amount appropriated for operation and maintenance of the regional park system in fiscal year 1991, $120,000 is for construction of floating fishing piers on the Mississippi river within the boundaries of the cities of the first class.		

	1990	1991
	$	$
(e) Notwithstanding any law to the contrary, the city of St. Paul shall use all revenue derived from its clawback funding of sewer financing only for sewer separation projects that directly result in the elimination of combined sewer overflow.		
Subd. 2. Agency Reductions		
(a) The specific reductions include:		(4,046,000)
(1) ($1,075,000) in the economic recovery.		
(2) ($1,075,000) in the urban revitalization action program.		
(3) ($350,000) CAN-DO program. The complement of the department is reduced by three positions.		
(4) ($60,000) in the policy analysis, science and technology office. The complement of the department is reduced by two positions.		
(5) ($81,000) The department's management complement is reduced by two positions.		
(6) ($110,000) The commissioner shall merge the celebrate 1990, environmental resources office and developmental resources office and choose one director for the office. Two director positions are abolished.		
(7) ($145,000) The complement of the trade office is reduced by three management positions.		
(8) ($100,000) motion picture board grant.		
(9) ($250,000) The public facilities authority shall be administered only with federal dollars and complement. The		

	1990	1991
	$	$
complement of the department is reduced by 5½ general fund positions. The federal complement of the department is increased by four positions.		
(10) ($300,000) Elimination of the rural development board. The complement of the department is reduced by 6½ positions.		
(11) ($500,000) in fiscal year 1990 is reduced for the loan to the city of St. Paul for restoration of Union Depot.		
(b) This reduction is from the motor vehicle transfer appropriation.		(5,000)
(c) This reduction is from the trunk highway fund appropriation.		(15,000)
Sec. 22. HOUSING FINANCE AGENCY		
(a) Spending limit on cost of general administration of agency programs in fiscal year 1991 is reduced by ($210,000).		
(b) The position of executive assistant to the director is abolished. The complement is reduced by five additional positions.		
(c) ($2,115,000) is reduced from the home ownership assistance fund. ($1,500,000) is reduced for the elimination of the housing preservation grants program.		(3,615,000)
Sec. 23. STATE PLANNING AGENCY		
Subdivision 1. Agency Budget Reduction		

	1990	1991
	$	$

SUMMARY BY FUND

	1990	1991	POSITIONS
General	(1,000,000)	(6,030,000)	(80.5)
Special Revenue		(475,000)	(26.5)
Federal			(6.0)

(a) Pursuant to article 4, the state planning agency is eliminated and the functions identified in article 4 are to be transferred to the agencies indicated. Funding adjustments for these activities are identified where appropriate in other sections. Functions not identified in other articles or sections are not funded and are to be eliminated. Notwithstanding any other law to the contrary during the biennium, the commissioner of finance shall have the authority to transfer the directly appropriated and the statutorially appropriated funds and positions indicated herein to the agencies identified to accomplish the intent of the legislation.

(b) In addition, the appropriation to the state planning agency for the community resources program in Minnesota Statutes, chapter 466A, shall be transferred to the department of jobs and training except for the way to grow grants in Minnesota Statutes, section 466A.06, which shall be transferred to the department of education for administration. Notwithstanding any other laws to the contrary, $1,000,000 of the community resources program shall cancel to the general fund at the end of the first fiscal year.

(c) The appropriation in Laws 1989, chapter 335, article 1, section 28, to the Great Lakes Protection Fund shall be reduced by $500,000 for fiscal year 1991.

	1990	1991
	$	$
Sec. 24. LABOR AND INDUSTRY		
(a) The complement in the employment agency regulation activity is reduced by one position. The complement in the apprenticeship regulation program is reduced by one position. Reductions shall occur through attrition.		(115,000)
(b) One position in administration and one position in the settlement staff area is abolished. The computer restructuring for the department is reduced by ($110,000) and three positions. This reduction is from the workers' compensation special fund.		(190,000)
Sec. 25. IRON RANGE RESOURCES AND REHABILITATION BOARD		
Notwithstanding any other law to the contrary, the Iron Range resources and rehabilitation board is authorized to designate Ironworld USA as a site for development of a museum in honor of the Civilian Conservation Corps.		
Sec. 26. WORKERS' COMPENSATION COURT OF APPEALS		(32,000)
The approved complement of the court is reduced by one law clerk position from the workers' compensation special fund.		
Sec. 27. MILITARY AFFAIRS		
(a) The adjutant general shall use the balance from the appropriation in Laws 1984, chapter 597, section 9, paragraph (d), for the planning of a new armory and military affairs building in or near the capitol complex. The department of military affairs shall continue to occupy the veterans service building until the department has secured the federal funds and the legislature has acted on a governor's recommendation for funding of a new armory/military		

	1990	1991
	$	$

affairs building in or near the capitol complex.

(b) Notwithstanding any law to the contrary, the department of military affairs, with the assistance of the management analysis division of the department of administration, shall analyze the cost savings that may be obtained through multiple use, the time-sharing, consolidation, or closure of armories throughout the state. This analysis shall consider, among other factors, the forces allocated to the Minnesota Army National Guard by the Department of the Army and by the National Guard Bureau. These allocations specify the types, organization, and authorized strengths of units of the Minnesota Army National Guard. This analysis shall also include the requirements to train these units to standards established by the Department of the Army, the National Guard Bureau, and the state of Minnesota; the age, maintenance needs, costs, and personnel costs of existing armories. This action recognizes that proposed reductions in the United States defense budget may dictate changes in the organization of Minnesota National Guard units and that such structural changes will be made known by the National Guard Bureau. In the interim, caution shall be exercised to preclude the use of state funds for repair or replacement actions on any armory that may be selected as a candidate to actions contemplated in this analysis.

(c) Notwithstanding any other law, national guard tuition and bonus payments may only be paid to and used by members of the national guard.

Sec. 28. HUMAN RIGHTS (60,000)

The deputy commissioner position is abolished. The funding for the mobile

	1990	1991
	$	$
unit sunsets on June 30, 1991. The complement of the department is reduced by three positions for the 1992-1993 biennium.		
Sec. 29. OFFICE ON DISABILITY AND DEVELOPMENTAL DISABILITY		270,000
Approved Complement – 6		
Funding in this section does not include grants for arts organizations.		
Sec. 30. COMMISSIONER OF FINANCE TO REDUCE AGENCY APPROPRIATIONS		(2,206,000)

With the exception of appropriations made to the University of Minnesota, the Community College System, the Technical College System, and the State University System, the Commissioner of Finance shall reduce each agency's fiscal year 1991 appropriation by an amount equal to the sum of:

(1) 4.02 percent of the agency's fiscal year 1991 salaries paid to employees covered by the state patrol retirement plan established in Minnesota Statutes, section 352B.02.

(2) .84 percent of the agency's fiscal year 1991 salaries paid to employees covered by the teacher's retirement plan established in Minnesota Statutes, chapter 354.

(3) .22 percent of the agency's fiscal year 1991 salaries paid to employees covered by the general state employee retirement plan established in Minnesota Statutes, chapter 352.

(4) 2.43 percent of the agency's fiscal year 1991 salaries paid to employees covered by the correctional employees

	1990	1991
	$	$

retirement plan established in Minnesota Statutes, chapter 352.

The appropriation reductions made pursuant to this section shall be permanent reductions to each agency's budget.

Sec. 31. [TRANSFERS.]

Subdivision 1. [GENERAL PROCEDURE.] If the appropriation in this act to an agency in the executive branch is specified by program, the agency may transfer unencumbered balances among the programs specified in that section after getting the approval of the commissioner of finance. The commissioner shall not approve a transfer unless the commissioner believes that it will carry out the intent of the legislature. The transfer must be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives. If the appropriation in this act to an agency in the executive branch is specified by activity, the agency may transfer unencumbered balances among the activities specified in that section using the same procedure as for transfers among programs.

Subd. 2. [CONSTITUTIONAL OFFICERS.] A constitutional officer need not get the approval of the commissioner of finance but must notify the committee on finance of the senate and the committee on appropriations of the house of representatives before making a transfer under subdivision 1.

Subd. 3. [TRANSFER PROHIBITED.] If an amount is specified in this act for an item within an activity, that amount must not be transferred or used for any other purpose.

Sec. 32. Minnesota Statutes 1988, section 2.722, subdivision 1, is amended to read:

Subdivision 1. [DESCRIPTION.] Effective July 1, 1959, the state is divided into ten judicial districts composed of the following named counties, respectively, in each of which districts judges shall be chosen as hereinafter specified:

1. Goodhue, Dakota, Carver, Le Sueur, McLeod, Scott, and Sibley; ~~13~~ 12 judges; and four permanent chambers shall be maintained in Red Wing, Hastings, Shakopee, and Glencoe and one other shall be maintained at the place designated by the chief judge of the district;

2. Ramsey; 13 judges;

3. Wabasha, Winona, Houston, Rice, Olmsted, Dodge, Steele, Waseca, Freeborn, Mower, and Fillmore; 22 judges; and permanent chambers shall be maintained in Faribault, Albert Lea, Austin, Rochester, and Winona;

4. Hennepin; ~~53~~ 51 judges;

5. Blue Earth, Watonwan, Lyon, Redwood, Brown, Nicollet, Lincoln, Cottonwood, Murray, Nobles, Pipestone, Rock, Faribault, Martin, and Jackson; five judges; and permanent chambers shall be maintained in Marshall, Windom, Fairmont, New Ulm, and Mankato;

6. Carlton, St. Louis, Lake, and Cook; 15 judges;

7. Benton, Douglas, Mille Lacs, Morrison, Otter Tail, Stearns, Todd, Clay, Becker, and Wadena; 20 judges; and permanent chambers shall be maintained in Moorhead, Fergus Falls, Little Falls, and St. Cloud;

8. Chippewa, Kandiyohi, Lac qui Parle, Meeker, Renville, Swift, Yellow Medicine, Big Stone, Grant, Pope, Stevens, Traverse, and Wilkin; three judges; and permanent chambers shall be maintained in Morris, Montevideo, and Willmar;

9. Norman, Polk, Marshall, Kittson, Red Lake, Roseau, Mahnomen, Pennington, Aitkin, Itasca, Crow Wing, Hubbard, Beltrami, Lake of the Woods, Clearwater, Cass and Koochiching; six judges; and permanent chambers shall be maintained in Crookston, Thief River Falls, Bemidji, Brainerd, Grand Rapids, and International Falls;

10. Anoka, Isanti, Wright, Sherburne, Kanabec, Pine, Chisago, and Washington; ~~30~~ 29 judges; and permanent chambers shall be maintained in Anoka, Stillwater, and other places designated by the chief judge of the district.

Sec. 33. Minnesota Statutes 1989 Supplement, section 3.30, subdivision 1, is amended to read:

Subdivision 1. [APPROPRIATION; TRANSFERS.] A general contingent appropriation for each year of the biennium is authorized in the amount the legislature deems sufficient. Additional special contingent appropriations as the legislature deems necessary are authorized. Transfers from the appropriations to the appropriations of the various departments and agencies may be made by the commissioner of finance subject to the following provisions:

(a) Transfers may be authorized by the commissioner of finance not exceeding $5,000 for the same purpose for any quarterly period.

(b) Transfers exceeding $5,000 but not exceeding $10,000 may be authorized by the commissioner of finance with the approval of the governor.

(c) Transfers exceeding $10,000 may be authorized by the governor but no transfer exceeding $10,000 may be made until the governor has consulted the legislative advisory commission and it has ~~made its recommendation on~~ approved the transfer. Its recommendation is advisory only. Failure or refusal of the commission to make a recommendation is a negative recommendation.

The commissioner of finance shall return to the appropriate contingent account any funds transferred under this subdivision that the commissioner determines are not needed.

Sec. 34. Minnesota Statutes 1989 Supplement, section 3.30, subdivision 2, is amended to read:

Subd. 2. [MEMBERS; DUTIES.] The majority leader of the senate or a designee, the chair of the senate committee on finance, and the chair of the senate division of finance responsible for overseeing the items being considered by the commission, the speaker of the house of representatives or a designee, the chair of the house committee on appropriations, and the chair of the division of the house appropriations committee responsible for overseeing the items being considered by the commissioner constitute the legislative advisory commission. The division chair of the finance committee in the senate and the division chair of the appropriations committee in the house shall rotate according to the items being considered by the commission. If any of the members elect not to serve on the commission, the house of which they are members, if in session, shall select some other member for the vacancy. If the legislature is not in session, vacancies in the house membership of the commission shall be filled by the last speaker of the house or, if the speaker is not available, by the last chair of the house rules committee, and by the last senate committee on committees or other appointing authority designated by the senate rules in case of a senate vacancy. The commissioner of finance shall be secretary of the commission and keep a permanent record and minutes of its proceedings, which are public records. The commissioner of finance shall transmit, under section 3.195, a report to the next legislature of all actions of the commission. Members shall receive traveling and subsistence expenses incurred attending meetings of the commission. The commission shall meet from time to time upon the call of the governor or upon the call of the secretary at the request of two or more of its members. ~~A recommendation of~~ Approvals for expenditures granted by the commission must be made at a meeting of the commission ~~unless a written recommendation is signed by all the members entitled to vote on the item~~, except that a recommendation under section 298.2213, subdivision 4, or 298.296, subdivision 1, may be a

written recommendation and need only be signed by a majority of the members entitled to vote on the item.

Sec. 35. Minnesota Statutes Second 1989 Supplement, section 3.885, subdivision 5, is amended to read:

Subd. 5. [DUTIES.] (a) The commission shall:

(1) provide the legislature with research and analysis of current and projected state revenue, state expenditures, and state tax expenditures;

(2) provide the legislature with a report analyzing the governor's proposed levels of revenue and expenditures for biennial budgets submitted under section 16A.11 as well as other supplemental budget submittals to the legislature by the governor;

(3) provide an analysis of the impact of the governor's proposed revenue and expenditure plans for the next biennium;

(4) conduct research on matters of economic and fiscal policy and report to the legislature on the result of the research;

(5) provide economic reports and studies on the state of the state's economy, including trends and forecasts for consideration by the legislature;

(6) conduct budget and tax studies and provide general fiscal and budgetary information;

(7) review and make recommendations on the operation of state programs in order to appraise the implementation of state laws regarding the expenditure of funds and to recommend means of improving their efficiency;

(8) recommend to the legislature changes in the mix of revenue sources for programs, in the percentage of state expenditures devoted to major programs, and in the role of the legislature in overseeing state government expenditures and revenue projections;

(9) make a continuing study and investigation of the building needs of the government of the state of Minnesota, including, but not limited to the following: the current and future requirements of new buildings, the maintenance of existing buildings, rehabilitating and remodeling of old buildings, the planning for administrative offices, and the exploring of methods of financing building and related costs; and

(10) conduct a continuing study of state-local finance, analyzing and making recommendations to the legislature on issues including

levels of state support for political subdivisions, basic levels of local need, balances of local revenues and options, relationship of local taxes to individuals' ability to pay, and financial reporting by political subdivisions. In conducting this study, the commission shall consult with the governor, the staff of executive branch agencies, and the ~~governor's~~ advisory commission on ~~state-local~~ intergovernmental relations created in section 15.90.

(b) In performing its duties under paragraph (a), the commission shall consider, among other things:

(1) the relative dependence on state tax revenues, federal funds, and user fees to support state-funded programs, and whether the existing mix of revenue sources is appropriate, given the purposes of the programs;

(2) the relative percentages of state expenditures that are devoted to major programs such as education, assistance to local government, aid to individuals, state agencies and institutions, and debt service; and

(3) the role of the legislature in overseeing state government expenditures, including legislative appropriation of money from the general fund, legislative appropriation of money from funds other than the general fund, state agency receipt of money into revolving and other dedicated funds and expenditure of money from these funds, and state agency expenditure of federal funds.

(c) The commission's recommendations must consider the long-term needs of the state. The recommendations must not duplicate work done by standing committees of the senate and house of representatives.

The commission shall report to the legislature on its activities and recommendations by January 15 of each odd-numbered year.

The commission shall provide the public with printed and electronic copies of reports and information for the legislature. Copies must be provided at the actual cost of furnishing each copy.

Sec. 36. Minnesota Statutes Second 1989 Supplement, section 3.885, subdivision 6, is amended to read:

Subd. 6. [MANDATE, STATE AID, AND STATE PROGRAM REVIEWS.] (a) The commission shall, after consultation with the governor, the advisory commission on intergovernmental relations created in section 15.90, and with the chairs of the standing committees of the legislature, select mandates and state programs for review. When selecting mandates, state aids, or state programs to

be reviewed, the commission shall give priority to those that involve state payments to local units of government.

(b) The governor is responsible for the performance of the reviews. Staff from affected agencies, staff from the department of finance and the state planning agency, and legislative staff shall participate in the reviews.

(c) At the direction of the commission, reviews of state programs shall include:

(1) a precise and complete description of the program;

(2) the need the program is intended to address;

(3) the recommended goals and measurable objectives of the program to meet those needs;

(4) program outcomes and measures which identify:

(i) results in meeting stated needs, goals, and objectives;

(ii) administrative efficiency, which, when appropriate, shall include number of program staff and clients served, timeliness in processing clients and rates and administrative cost as a percent of total program expenditures;

(iii) unanticipated program outcomes;

(iv) program expenditures compared with program appropriations;

(v) historical cost trends and projected program growth, including reasons for fiscal and program growth, for all levels of government involved in the program;

(vi) if rules or guidelines or instructions have been promulgated for a program, a review of their efficacy in helping to meet program goals and objectives and in administering the program in a cost-effective way; and

(vii) quality control monitoring and sanctions including a review of the level of training, experience, skill, and standards of staff;

(5) recommended changes in the program that would lead to its policy objectives being achieved more efficiently or effectively, or at lower cost; and

(6) additional issues requested by the commission.

(d) The following state aids and associated state mandates shall be reviewed:

(1) local aids and credits including local government aid, homestead and agricultural credit aid, disparity reduction aid, taconite homestead credit and aids, tax increment financing, and fiscal disparities;

(2) human services aids including community health services aids, correctional program aids, and social service program and administrative aids;

(3) elementary and secondary education aids including school district general fund aids and levies, school district capital expenditure fund aids and levies, school district debt service fund aids and levies, and school district community service fund aids and levies; and

(4) general government aids including natural resource aids, environmental protection aids, transportation aids, economic development aids, and general infrastructure aids.

(e) At the direction of the commission, the reviews of state aids and state mandates involving state financing of local government activities listed in paragraph (d) shall include:

(1) the employment status, wages, and benefits of persons employed in administering the programs;

(2) the desirable applicability of state procedural laws and rules;

(3) methods for increasing political subdivision options in providing their share, if any, of program costs;

(4) desirable redistributions of funding responsibilities for the program and the time period during which any recommended funding distribution should occur;

(5) opportunities for reducing program mandates and giving political subdivisions more flexibility in meeting program needs;

(6) comparability of treatment of similar units of government;

(7) the effect of the state aid or mandate on the distribution of tax burdens among individuals, based upon ability to pay;

(8) coordination of the payment or allocation formula with other state aid programs;

(9) incentives that have been created for local spending decisions, and whether the incentives should be changed;

(10) ways in which political subdivisions have changed their revenue-raising behavior since receiving these grants; and

(11) consideration of the program's consistency with the policies set forth in section 3.882.

(f) Each review shall also include an assessment of the accountability of all government agencies that participate in administration of the program.

(g) Each review that is intended to be considered in the development of the governor's budget recommendations for the following year shall be completed and submitted to the commission no later than November 15.

Sec. 37. Minnesota Statutes 1988, section 3C.035, subdivision 3, is amended to read:

Subd. 3. [RESTRICTIONS ON OUTSIDE DRAFTING.] A department or agency may not contract with an attorney, consultant, or other person either to provide drafting services to the department or agency or to advise on drafting unless the revisor determines that special expertise is required for the drafting and the expertise is not available from the revisor or the revisor's staff. ~~A department or agency may not request legislative staff, other than the revisor of statutes, to provide drafting services to the department or agency.~~

Sec. 38. Minnesota Statutes 1988, section 3C.11, subdivision 2, is amended to read:

Subd. 2. [PAMPHLETS.] The revisor's office shall compose, print, and deliver pamphlets containing parts of Minnesota Statutes, parts of Minnesota Rules, or combinations of parts of the statutes and rules as may be necessary for the use of public officers and departments. The revisor's office shall use a standard form for the pamphlets. The cost of composition, printing, and delivery of the pamphlets~~, together with a reasonable fee for the revisor's services,~~ is to be borne by the office or department requesting them. The printing must be limited to actual needs as shown by experience or other competent proof. ~~Revenue from the revisor's fee must be deposited in the general fund.~~

Sec. 39. [6.77] [STATE HIGH SCHOOL LEAGUE.]

Notwithstanding any other law to the contrary, the state auditor shall continue to audit the Minnesota state high school league and review any private audits done for the league.

Sec. 40. Minnesota Statutes 1988, section 11A.07, subdivision 5, is amended to read:

Subd. 5. [APPORTIONMENT OF EXPENSES.] The executive director shall apportion the actual expenses incurred by the board on an accrual basis among the several funds whose assets are invested by the board based on the weighted average assets under management during each quarter. The charge to each ~~retirement~~ fund must be calculated, billed, and paid on a quarterly basis in accordance with procedures for interdepartmental payments established by the commissioner of finance. The amounts necessary to pay these charges are appropriated from the investment earnings of each ~~retirement~~ fund. Receipts must be credited to the general fund as nondedicated receipts. ~~Funds other than retirement funds must not be billed; their portion of the expenses will be borne by the general fund.~~

Sec. 41. Minnesota Statutes 1988, section 14.07, subdivision 1, is amended to read:

Subdivision 1. [RULE DRAFTING ASSISTANCE PROVIDED.] (a) The revisor of statutes shall:

(1) maintain an agency rules drafting department to draft or aid in the drafting of rules or amendments to rules for any agency in accordance with subdivision 3 and the objective or other instructions which the agency shall give the revisor; and,

(2) prepare and publish an agency rules drafting guide which shall set out the form and method for drafting rules and amendments to rules, and to which all rules shall comply.

(b) ~~The revisor shall assess an agency for the actual cost of providing aid in drafting rules or amendments to rules. The agency shall pay the assessment using the procedures of section 3C.056. Each agency shall include in its budget money to pay the revisor's assessment. Receipts from the assessment must be deposited in the state treasury and credited to the general fund.~~

~~(c)~~ An agency may not contract with an attorney, consultant, or other person either to provide rule drafting services to the agency or to advise on drafting unless the revisor determines that special expertise is required for the drafting and the expertise is not available from the revisor or the revisor's staff.

Sec. 42. Minnesota Statutes 1988, section 14.07, subdivision 2, is amended to read:

Subd. 2. [APPROVAL OF FORM.] No agency decision to adopt a rule or emergency rule, including a decision to amend or modify a

proposed rule or proposed emergency rule, shall be effective unless the agency has presented the rule to the revisor of statutes and the revisor has certified that its form is approved. ~~The revisor shall assess an agency for the actual cost of processing rules for consideration for approval of form. The assessments must include necessary costs to create or modify the computer data base of the text of a rule and the cost of putting the rule into the form established by the drafting guide provided for in subdivision 1. The agency shall pay the assessments using the procedures of section 3C.056. Each agency shall include in its budget money to pay revisor's assessments. Receipts from the assessments must be deposited in the state treasury and credited to the general fund.~~

Sec. 43. Minnesota Statutes 1988, section 14.08, is amended to read:

14.08 [REVISOR OF STATUTES APPROVAL OF RULE FORM.]

(a) Two copies of a rule adopted pursuant to the provisions of section 14.26 or 14.32 shall be submitted by the agency to the attorney general. The attorney general shall send one copy of the rule to the revisor on the same day as it is submitted by the agency under section 14.26 or 14.32. Within five days after receipt of the rule, excluding weekends and holidays, the revisor shall either return the rule with a certificate of approval of the form of the rule to the attorney general or notify the attorney general and the agency that the form of the rule will not be approved.

If the attorney general disapproves a rule, the agency may modify it and the agency shall submit two copies of the modified rule to the attorney general who shall send a copy to the revisor for approval as to form as described in this paragraph.

(b) One copy of a rule adopted after a public hearing shall be submitted by the agency to the revisor for approval of the form of the rule. Within five working days after receipt of the rule, the revisor shall either return the rule with a certificate of approval to the agency or notify the agency that the form of the rule will not be approved.

(c) If the revisor refuses to approve the form of the rule, the revisor's notice shall revise the rule so it is in the correct form.

~~(d) The attorney general and the revisor of statutes shall assess an agency for the actual cost of processing rules under this section. The agency shall pay the revisor's assessments using the procedures of section 3C.056. The agency shall pay the attorney general's assessments using the procedures of section 8.15. Each agency shall include in its budget money to pay the revisor's and the attorney general's assessments. Receipts from the assessment must be deposited in the state treasury and credited to the general fund.~~

Sec. 44. Minnesota Statutes 1988, section 14.26, is amended to read:

14.26 [ADOPTION OF PROPOSED RULE; SUBMISSION TO ATTORNEY GENERAL.]

If no hearing is required, the agency shall submit to the attorney general the proposed rule and notice as published, the rule as proposed for adoption, any written comments received by the agency, and a statement of need and reasonableness for the rule. The agency shall give notice to all persons who requested to be informed that these materials have been submitted to the attorney general. This notice shall be given on the same day that the record is submitted. If the proposed rule has been modified, the notice shall state that fact, and shall state that a free copy of the proposed rule, as modified, is available upon request from the agency. The rule and these materials shall be submitted to the attorney general within 180 days of the day that the comment period for the rule is over or the rule is automatically withdrawn. The agency shall report its failure to adopt the rules and the reasons for that failure to the legislative commission to review administrative rules, other appropriate legislative committees, and the governor.

Even if the 180-day period expires while the attorney general reviews the rule, if the attorney general rejects the rule, the agency may resubmit it after taking corrective action. The resubmission must occur within 30 days of when the agency receives written notice of the disapproval. If the rule is again disapproved, the rule is withdrawn. An agency may resubmit at any time before the expiration of the 180-day period. If the agency withholds some of the proposed rule, it may not adopt the withheld portion without again following the procedures of sections 14.14 to 14.28, or 14.29 to 14.36.

The attorney general shall approve or disapprove the rule as to its legality and its form to the extent the form relates to legality, including the issue of substantial change, and determine whether the agency has the authority to adopt the rule and whether the record demonstrates a rational basis for the need for and reasonableness of the proposed rule within 14 days. If the rule is approved, the attorney general shall promptly file two copies of it in the office of the secretary of state. The secretary of state shall forward one copy of each rule to the revisor of statutes. If the rule is disapproved, the attorney general shall state in writing the reasons and make recommendations to overcome the deficiencies, and the rule shall not be filed in the office of the secretary of state, nor published until the deficiencies have been overcome. The attorney general shall send a statement of reasons for disapproval of the rule to the agency, the chief administrative law judge, the legislative commission to review administrative rules, and to the revisor of statutes.

~~The attorney general shall assess an agency for the actual cost of~~

~~processing rules under this section. The agency shall pay the attorney general's assessments using the procedures of section 8.15. Each agency shall include in its budget money to pay the attorney general's assessment. Receipts from the assessment must be deposited in the state treasury and credited to the general fund.~~

Sec. 45. Minnesota Statutes 1988, section 14.53, is amended to read:

14.53 [COSTS ASSESSED.]

In consultation with the commissioner of administration the chief administrative law judge shall assess agencies the cost of services rendered to them in the conduct of hearings. All agencies shall include in their budgets provisions for such assessments.

Rates must be set to provide for a minimum of eight weeks' reserve plus an additional sum of $200,000 in the administrative hearing account. $100,000 shall be transferred on July 1 of each year to the legislative advisory commission and be made available only to general fund agencies or activities and only for contested case hearings for which they did not anticipate or budget and that the commission finds are unusually expensive.

Sec. 46. Minnesota Statutes 1988, section 15.054, is amended to read:

15.054 [PUBLIC EMPLOYEES NOT TO PURCHASE MERCHANDISE FROM GOVERNMENTAL AGENCIES; EXCEPTIONS; PENALTY.]

No officer or employee of the state or any of its political subdivisions shall sell or procure for sale or possess or control for sale to any other officer or employee of the state or the subdivision, as appropriate, any property or materials owned by the state or subdivision except pursuant to conditions provided in this section. Property or materials owned by the state or a subdivision~~, except real property,~~ and not needed for public purposes, may be sold to an employee of the state or the subdivision after reasonable public notice at public auction or by sealed bid if the employee is the highest responsible bidder and is not directly involved in the auction or sealed bid process. Requirements for reasonable public notice may be prescribed by other law or ordinance so long as at least one week's published or posted notice is specified. A state employee may purchase no more than one motor vehicle from the state in any 12-month period. A person violating the provisions of this section is guilty of a misdemeanor. This section shall not apply to the sale of property or materials acquired or produced by the state or subdivision for sale to the general public in the ordinary course of business. Nothing in this section shall prohibit an employee of the state or a political subdivision from selling or possessing for sale public

property if the sale or possession for sale is in the normal course of the employee's duties.

Sec. 47. [15.081] [SETTLEMENTS BY STATE AGENCIES AND PUBLIC CORPORATIONS.]

A state agency or a public corporation created by statute must report to the chairs of the senate finance committee and the house appropriations committee the amount of any monetary payment agreed to be made by the state agency or public corporation to another party in settlement of a dispute arising from a complaint by the party. The amount must be reported within ten days of execution of the settlement agreement.

Sec. 48. [15.082] [OBLIGATIONS OF PUBLIC CORPORATIONS.]

Notwithstanding any other law, the state is not liable for obligations of a public corporation created by statute. Upon dissolution of the public corporation, its wholly-owned assets become state property. Partially owned assets become state property to the extent that state money was used to acquire them.

Sec. 49. Minnesota Statutes 1988, section 15.50, is amended by adding a subdivision to read:

Subd. 6a. [RIGHT OF FIRST REFUSAL.] The commissioner of administration has the right of first refusal on lands offered for public or private sale within the capitol area. Before completing a sale of land within the capitol area to a buyer other than the state, the owner of the land shall notify the commissioner of administration of the owner's intent to sell the land and shall inform the commissioner of the appraised value of the land if an appraisal has been performed and the amount of any bona fide written offers made to purchase the land. The commissioner may purchase the land by using an appraisal as the basis for the purchase price, by matching the highest written bona fide offer, or by negotiating a direct purchase with the owner. If a negotiated purchase price exceeds $250,000, the commissioner shall first consult with the chairs of the senate finance committee and house of representatives appropriations committee in the manner provided in section 15.16, subdivision 5. The commissioner may not spend or obligate the state for an amount exceeding the amount appropriated to the commissioner for capitol area property acquisition. Sections 117.232, 117.52, and 117.521 do not govern purchases under this subdivision.

Sec. 50. Minnesota Statutes 1988, section 15.51, is amended to read:

15.51 [DECLARATION OF POLICY.]

The state of Minnesota recognizes that intergovernmental cooperation is an essential factor in resolving problems affecting this state and that the interchange of personnel between and among governmental agencies ~~at the same or different levels of government~~ is a significant factor in achieving such cooperation.

Sec. 51. Minnesota Statutes 1988, section 15.52, subdivision 2, is amended to read:

Subd. 2. "Sending agency" means any department~~, political subdivision~~ or agency of the federal or state government ~~or a state government~~ which sends any employee thereof to another government agency under sections 15.51 to 15.57.

Sec. 52. Minnesota Statutes 1988, section 15.52, subdivision 3, is amended to read:

Subd. 3. "Receiving agency" means any department~~, political subdivision~~ or agency of the federal or state government ~~or a state government~~ which receives an employee of another government agency under sections 15.51 to 15.57.

Sec. 53. Minnesota Statutes 1988, section 15.53, subdivision 1, is amended to read:

Subdivision 1. No department, agency, ~~political subdivision~~ or instrumentality of the state is authorized to participate in a program of interchange of employees with departments, agencies, or instrumentalities of the federal government, the state, or another state, as a sending or receiving agency except in accordance with sections 15.51 to 15.57.

Sec. 54. Minnesota Statutes 1988, section 15.56, subdivision 5, is amended to read:

Subd. 5. Sending and receiving agencies may contract for the services of interchanged employees and by contract arrange for the method and amount of payment for employees and other terms of their employment, so far as not governed by sections 15.51 to 15.57. Any interchange of employees contemplated by a department, or agency~~, or instrumentality~~ of the state which is subject to the provisions of chapter 16, shall be submitted for review to the commissioner of administration before arrangements are entered into for such interchange.

Sec. 55. Minnesota Statutes 1988, section 15.59, is amended to read:

15.59 [EMPLOYEE INTERCHANGE BETWEEN STATE AND PRIVATE INDUSTRY.]

In addition to the interchange of government employees, any department, ~~political subdivision~~ or agency of state government and private industry may serve as sending and receiving agencies as provided in section 15.52, and interchange employees pursuant to the requirements of sections 15.53 to 15.57.

Sec. 56. [15.90] [ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS.]

Subdivision 1. [FINDINGS AND PURPOSE.] The legislature finds there is a need for a permanent intergovernmental body to study and report on:

(1) the current pattern of local governmental structure and its viability;

(2) the powers and functions of local governments, including their fiscal powers;

(3) the existing, necessary, and desirable relationships between and among local governments and the state;

(4) the existing, necessary, and desirable allocation of state and local fiscal resources;

(5) the existing, necessary, and desirable roles of the state as the creator of the local governmental systems;

(6) the special problems in interstate areas facing their general local governments, intrastate regional units, and areawide bodies; and

(7) any constitutional amendments and statutory enactments required to implement appropriate recommendations.

Subd. 2. [MEMBERSHIP.] The Minnesota advisory commission on intergovernmental relations shall consist of 20 members selected as follows:

(1) two members of the senate appointed by the committee on rules and legislation and one member of the senate appointed by the minority leader of the senate;

(2) two members of the house of representatives appointed by the speaker and one member of the house of representatives appointed by the minority leader of the house;

(3) four commissioners of state executive branch agencies appointed by the governor;

(4) two members appointed by the League of Minnesota Cities;

(5) two members appointed by the Association of Minnesota Counties;

(6) two members appointed by the Minnesota School Boards Association;

(7) two members appointed by the Association of Minnesota Townships;

(8) one member appointed by the Minnesota Association of Regional Commissions; and

(9) the chair of the metropolitan council.

Subd. 3. [COMPENSATION AND TERMS.] Members shall serve at the pleasure of their appointing authority. Legislative members shall be compensated in the same manner as for other legislative meetings. Other members shall be compensated as provided in section 15.059, subdivision 3.

Subd. 4. [DUTIES.] (a) The commission shall serve as a forum for the discussion and resolution of intergovernmental problems.

(b) The commission shall consider, on its own initiative, ways and means of fostering better relations among local governments and between local governments and the state government.

(c) The commission shall monitor local government affairs and state-local relationships, identify issues needing attention by the state, and make policy recommendations to the legislature and the state government.

(d) The commission shall hold hearings and conduct informal surveys to solicit local government positions on state-local issues.

(e) The commission shall review and comment on proposals submitted to it by the governor and the legislature.

(f) The commission shall review and comment on research reports and issue papers on local government issues.

Subd. 5. [ADMINISTRATION AND FINANCE.] (a) The legislative coordinating commission shall provide staff support and administrative services to the commission. Other state agencies and legislative research staff shall supply information upon request of the commission and shall in all ways cooperate with the commission in carrying out its duties.

(b) The commission may establish permanent or temporary committees or task forces. Membership must include at least one member of the commission. Only the commission may set policy or take official action.

(c) The commission may apply for grants and appropriations from state, federal, or local government and from other public and private sources. Political subdivisions of the state may appropriate funds to the commission.

Subd. 6. [REPORTS.] The commission shall issue reports of its findings and recommendations.

Sec. 57. Minnesota Statutes 1988, section 16A.10, is amended by adding a subdivision to read:

Subd. 4. [CHANGE LEVELS FOR DATA PROCESSING.] All data processing change level requests submitted in the governor's budget that have been reviewed by the information policy office must include a summary of the recommendations made by the information policy office on the change level request.

Sec. 58. Minnesota Statutes 1989 Supplement, section 16A.11, subdivision 3, is amended to read:

Subd. 3. [PART TWO: DETAILED BUDGET.] Part two of the budget, the detailed budget estimates both of expenditures and revenues, shall also include statements of the bonded indebtedness of the state, showing the actual amount of the debt service for at least the past two completed fiscal years, and the estimated amount for the current fiscal year and for the next two fiscal years, the debt authorized and unissued, the condition of the sinking funds, and the borrowing capacity. It shall also contain any statements on the financial plan which the governor believes desirable or which may be required by the legislature. The detailed estimates shall include the budget request of each agency arranged in tabular form so it may readily be compared with the governor's budget for each agency. They shall also include, as part of each agency's organization chart, a summary of the personnel employed by the agency, showing the complement approved by the legislature for the current biennium, additional complement positions authorized through the governor or the commissioner, positions transferred into or out of the agency, additional part-time and seasonal positions and the number of employees of all kinds employed by the agency on June 30 of the last complete fiscal year. The summary of the number of employees must list employees by employment status, including but not limited to full-time unlimited, part-time unlimited, full-time or part-time seasonal, intermittent, full-time or part-time temporary, full-time or part-time emergency, and other. The summary of personnel shall also be shown for each functional division of the agency, and for each fund and type of appropriation.

Any increase in complement with the exception of federal positions, approved by the commissioner of finance as temporary positions, shall be reflected in the governor's budget recommendations to the legislature as change request items. These positions are not permanent positions until the legislature has approved the change request items.

Sec. 59. Minnesota Statutes 1988, section 16A.127, subdivision 3, is amended to read:

Subd. 3. [REIMBURSEMENT.] (a) Under the plan, the commissioner shall make and record the reimbursement to the general fund of the statewide indirect costs attributable to an executive agency's nongeneral fund receipts for the last fiscal year. Unless the commissioner determines that agency indirect cost receipts are a reimbursement for general fund expenditures, the receipts are appropriated to the agency to pay administrative expenses. However, the commissioner may~~, for reasons of sound financial management,~~ waive ~~the~~ reimbursement under this subdivision for certain nongeneral fund receipts~~.~~ but only under the following circumstances:

(1) where regulations or law do not allow for the payment of indirect costs;

(2) where funds held by the state are held in trust funds other than pension trust funds, gift funds, endowment funds, debt service funds, and bond proceeds funds;

(3) where the funds are pass-through grant money;

(4) where receipts are collected for workshops, seminars, or conferences; or

(5) where the amount is less than $500.

The commissioner shall report all waivers in the next statewide indirect cost plan.

(b) There is annually appropriated from all direct appropriated nongeneral funds an amount sufficient to reimburse the general fund for statewide indirect costs.

Sec. 60. Minnesota Statutes 1988, section 16A.127, subdivision 8, is amended to read:

Subd. 8. [EXEMPTION.] This section does not apply to the community college system, state universities, or the state board of vocational technical education. ~~Except for federal funds, this section does not apply to the department of natural resources for agency indirect costs.~~

Sec. 61. Minnesota Statutes 1989 Supplement, section 16A.133, subdivision 1, is amended to read:

Subdivision 1. [PAYROLL DIRECT DEPOSIT AND DEDUCTIONS.] An agency head in the executive, judicial, and legislative branch ~~may~~ shall, upon written request signed by an employee, directly deposit all or part of an employee's pay in any credit union or financial institution, as defined in section 47.015, designated by the employee. An agency head may, upon written request of an employee, deduct from the pay of the employee a requested amount to be paid to the Minnesota benefit association, or to any organization contemplated by section 179A.06, of which the employee is a member, or to a company that has contracted to insure the employee for the medical costs of cancer or intensive care. If an employee is a member of or has accounts with more than one credit union or financial institution or more than one organization under section 179A.06, or is insured by more than one company, only one credit union or financial institution and one organization and one company may be paid money by direct deposit or by payroll deduction from the employee's pay.

Sec. 62. [16A.79] [MATCHING FEDERAL APPROPRIATIONS.]

Specific appropriations that are made to match federal appropriations shall be considered change requests in the following biennial budget submission if, during the biennium, the federal funding has been reduced or eliminated.

Sec. 63. Minnesota Statutes 1988, section 16B.24, subdivision 5, is amended to read:

Subd. 5. [RENTING OUT STATE PROPERTY.] (a) [AUTHORITY.] The commissioner may rent out state property, real or personal, that is not needed for public use, if the rental is not otherwise provided for or prohibited by law. The property may not be rented out for more than five years at a time without the approval of the state executive council and may never be rented out for more than 25 years.

(b) [RESTRICTIONS.] Paragraph (a) does not apply to state trust fund lands, other state lands under the jurisdiction of the department of natural resources, lands forfeited for delinquent taxes, lands acquired under section 298.22, or lands acquired under section 41.56 which are under the jurisdiction of the department of agriculture.

(c) [RENTAL OF STATE LAND; BUILDINGS FOR PUBLIC USE.] The commissioner may rent state land for no more than 30 years if the lease provides that the lessee shall design, develop, and construct on the land premises for public use and that the state has the option to lease the premises under subdivision 6, paragraph (a); has a lease-purchase agreement covering the premises under sub-

division 6, paragraph (b); or has an agreement covering the premises providing for a lease with option to buy under subdivision 6, paragraph (c). A lease or lease-purchase agreement entered into under this paragraph is subject to cancellation upon 30 days' written notice by the state for any reason except rental by the state of other land or premises for the same use.

(d) [FORT SNELLING CHAPEL; RENTAL.] The Fort Snelling Chapel, located within the boundaries of Fort Snelling State Park, is available for use only on payment of a rental fee. The commissioner shall establish rental fees for both public and private use. The rental fee for private use by an organization or individual must reflect the reasonable value of equivalent rental space. Rental fees collected under this section must be deposited in the general fund.

~~(d)~~ (e) [RENTAL OF LIVING ACCOMMODATIONS.] The commissioner shall establish rental rates for all living accommodations provided by the state for its employees. Money collected as rent by state agencies pursuant to this paragraph must be deposited in the state treasury and credited to the general fund.

~~(e)~~ (f) [LEASE OF SPACE IN CERTAIN STATE BUILDINGS TO STATE AGENCIES.] The commissioner may lease portions of the state owned buildings in the capitol complex, the capitol square building, the health building, and the building at 1246 University Avenue, St. Paul, Minnesota, to state agencies and charge rent on the basis of space occupied. Notwithstanding any law to the contrary, all money collected as rent pursuant to the terms of this section shall be deposited in the state treasury. Money collected as rent to recover the depreciation cost of a building built with state dedicated funds shall be credited to the dedicated fund which funded the original acquisition or construction. All other money received shall be credited to the general services revolving fund.

Sec. 64. Minnesota Statutes 1989 Supplement, section 16B.24, subdivision 6, is amended to read:

Subd. 6. [PROPERTY RENTAL.] (a) [LEASES.] The commissioner shall rent land and other premises when necessary for state purposes. The commissioner may lease land or premises for five years or less, subject to cancellation upon 30 days written notice by the state for any reason except rental of other land or premises for the same use. The commissioner may not rent non-state-owned land and buildings or substantial portions of land or buildings within the capitol area as defined in section 15.50 unless the commissioner first consults with the capitol area architectural and planning board. If the commissioner enters into a lease-purchase agreement for buildings or substantial portions of buildings within the capitol area, the commissioner shall require that any new construction of non-state-owned buildings conform to design guidelines of the capitol area architectural and planning board. Lands needed by the department

of transportation for storage of vehicles or road materials may be rented for five years or less, such leases for terms over two years being subject to cancellation upon 30 days written notice by the state for any reason except rental of other land or premises for the same use.

(b) [LEASE-PURCHASE.] The commissioner may lease land or buildings for no more than 30 years if the lease agreement provides for the transfer of the ownership of the leased land and buildings upon normal termination of the lease for an amount not to exceed $1. The commissioner may not enter into a lease-purchase agreement for the use of land or buildings within the capitol area as defined in section 15.50 unless the commissioner first consults with the capitol area architectural and planning board. A lease-purchase agreement entered into under this paragraph is subject to cancellation upon 30 days' written notice by the state for any reason except rental by the state of other land for the same use.

(c) [LEASE WITH OPTION TO BUY.] The commissioner may lease land or premises for no more than 30 years if the lease agreement provides the state a unilateral right to purchase all leased land and premises. The unilateral right must:

(1) be available at any time during the lease agreement; and

(2) provide for a decreasing purchase price reflecting a mortgage balance that would reach zero in no more than 30 years from the beginning of the initial lease period.

The commissioner may not enter an agreement providing for a lease with option to buy covering land or premises within the capitol area as defined in section 15.50 unless the commissioner first consults with the capitol area architectural and planning board.

(d) [CANCELLATION.] A lease with option to buy agreement entered into under paragraph (c) is subject to cancellation upon 30 days' written notice by the state for any reason except rental by the state of other land or premises for the same use.

(e) [USE VACANT PUBLIC SPACE.] No agency may initiate or renew a lease for space for its own use in a private building unless the commissioner has thoroughly investigated presently vacant space in public buildings, such as closed school buildings, and found that none is available.

~~(e)~~ (f) [PREFERENCE FOR CERTAIN BUILDINGS.] For needs beyond those which can be accommodated in state-owned buildings, the commissioner shall acquire and utilize space in suitable buildings of historical, architectural, or cultural significance for the purposes of this subdivision unless use of that space is not feasible,

prudent and cost effective compared with available alternatives. Buildings are of historical, architectural, or cultural significance if they are listed on the national register of historic places, designated by a state or county historical society, or designated by a municipal preservation commission.

~~(d)~~ (g) [RECYCLING SPACE.] Leases for space of 30 days or more for 5,000 square feet or more must require that space be provided for recyclable materials.

(h) [REQUIRED CLAUSE.] A lease, lease-purchase, or lease with option to buy agreement authorized by this section is not valid unless it includes a clause explicitly reserving to the legislature the right to terminate the agreement by nonappropriation.

Sec. 65. Minnesota Statutes 1988, section 16B.24, is amended by adding a subdivision to read:

Subd. 11. [WINDOW DESIGN.] For state office space that is leased, purchased, or substantially remodeled after July 1, 1990, the commissioner shall require that not less that ten percent of the exterior windows in the office area open to the outside to allow for fresh air in work areas.

Sec. 66. Minnesota Statutes 1988, section 16B.24, is amended by adding a subdivision to read:

Subd. 12. [USE OF BUILDING MATERIALS CONTAINING MERCURY.] Effective July 1, 1990, the commissioner shall not allow the use of paints or light switches containing mercury in any replacement or remodeling work accomplished in state-owned or leased facilities governed by this section. In the event that replacement or remodeling of state-owned or leased facilities is accomplished by the use of a nonstate contractor or developer, the contract or lease agreement shall prohibit the use of paints or light switches containing mercury within the state-owned or leased areas.

Sec. 67. Minnesota Statutes 1989 Supplement, section 16B.465, subdivision 1, is amended to read:

Subdivision 1. [CREATION.] The statewide telecommunications access routing system provides voice, data, video, and other telecommunications transmission services to state agencies, educational institutions, including private colleges, public corporations, and state political subdivisions. It is not a telephone company for purposes of chapter 237. It shall not resell or sublease any services or facilities to nonpublic entities except it may serve private colleges. The commissioner has the responsibility for planning, development, and operations of a statewide telecommunications

access routing system in order to provide cost-effective telecommunications transmission services to system users.

Sec. 68. Minnesota Statutes 1989 Supplement, section 18.0225, is amended to read:

18.0225 [GRASSHOPPER CONTROL PROGRAM.]

(a) The commissioner of agriculture shall develop and implement a grasshopper control program to prevent crop damage in the grasshopper control zone. Within grasshopper control zones the commissioner, landowners, and local weed inspectors have the same authorities and duties under chapter 18 for grasshoppers as if grasshoppers are noxious weeds under chapter 18, except that the commissioner and the commissioner's agents do not have authority to require grasshopper control measures on land under the jurisdiction of the commissioner of natural resources under section 84.033 or land owned by a nonprofit scientific or educational organization and maintained in a natural state. After consultation and cooperation with the state entomologist, the commissioner must develop the program to economically and efficiently control grasshoppers and to minimize adverse environmental impact, including the selection of pesticides and prescription of application rates.

(b) The grasshopper control program must utilize proven methods of grasshopper control and the commissioner may make grants for experimental methods of control in selected areas.

(c) The commissioner in consultation with the commissioner of natural resources, upon written request from any person or organization, may exempt from grasshopper control measures a parcel of land that the commissioner determines to be of particular scientific or natural significance or is particularly sensitive to the use of insecticides or other control methods being used. The request for exemption must include at least the following:

(1) the name and address of the person or organization making the request;

(2) the acreage and legal description of the parcel; and

(3) a statement of the specific reasons why an exemption is reasonable.

(d) A decision of the commissioner under paragraph (d) must be in writing and delivered to the person or organization making the request and the clerk of the town in which the property is located. The commissioner, counties, towns, and their agents are not liable for damages from exemptions granted under paragraphs (c) and (d).

(e) Before any grasshopper control measures, including spraying or the deposit of pelletized controls, are applied on or to public waterways, streams, or lakes, the commissioner shall seek the review and approval of the commissioner of natural resources.

Sec. 69. [43A.48] [CAREER DEVELOPMENT GRANTS.]

Subdivision 1. [AUTHORITY.] The commissioner of employee relations may make career development grants to state employees in the executive, judicial, or legislative branch who have at least three years of state service.

Subd. 2. [PURPOSE OF GRANTS.] The grants may be used to fund projects that examine government practices in Minnesota, other states, the United States, and foreign countries. The projects must be short-term and designed to investigate new methods for delivering state services.

Subd. 3. [AMOUNT OF GRANT MATCHING.] The maximum grant amount is $3,000. The grant must be matched by the agency employing the grantee.

Subd. 4. [GRANT APPLICATIONS.] The commissioner must publicize the grant program to eligible grant applicants. The commissioner shall develop and make available a grant application form. Only persons applying for grants on the application form are eligible for grants.

Subd. 5. [GRANT CRITERIA.] The commissioner shall award grants to those projects which the commissioner decides have the best prospects for improving delivery of state services. The decision of the commissioner is final with no right of appeal.

Subd. 6. [INELIGIBLE PERSONS.] Employees of higher education systems who are eligible for sabbatical leaves and commissioners or directors of state agencies are not eligible for career development grants.

Subd. 7. [REPORT TO LEGISLATURE.] The commissioner shall report on the grant program to the legislature by January 15 of each odd-numbered year.

Sec. 70. Minnesota Statutes 1989 Supplement, section 84.928, subdivision 2, is amended to read:

Subd. 2. [OPERATION GENERALLY.] A person may not drive or operate an all-terrain vehicle:

(1) at a rate of speed greater than reasonable or proper under the surrounding circumstances;

(2) in a careless, reckless, or negligent manner so as to endanger or to cause injury or damage to the person or property of another;

(3) without headlight and taillight lighted at all times if the vehicle is equipped with headlight and taillight;

(4) without a functioning stoplight if so equipped;

(5) in a tree nursery or planting in a manner that damages or destroys growing stock;

(6) without a brake operational by either hand or foot;

(7) with more persons on the vehicle than it was designed for;

(8) at a speed exceeding ten miles per hour on the frozen surface of public waters within 100 feet of a person not on an all-terrain vehicle or within 100 feet of a fishing shelter; ~~or~~

(9) to transport a firearm unless the firearm meets the restrictions defined in section 97B.045; or

(10) in a manner that violates operation rules adopted by the commissioner.

Sec. 71. Minnesota Statutes 1988, section 84.943, is amended to read:

84.943 [MINNESOTA CRITICAL HABITAT ~~PRIVATE SECTOR~~ MATCHING ACCOUNT.]

Subdivision 1. [ESTABLISHMENT.] The Minnesota critical habitat ~~private sector~~ matching account is established as a separate account in the reinvest in Minnesota resources fund established under section 84.95. The account shall be administered by the commissioner of natural resources as provided in this section.

Subd. 2. [FUNDING SOURCES.] The critical habitat ~~private sector~~ matching account shall consist of contributions from ~~private~~ nonstate sources and appropriations.

Subd. 3. [APPROPRIATIONS MUST BE MATCHED BY ~~PRIVATE~~ NONSTATE FUNDS.] Appropriations transferred to the critical habitat ~~private sector~~ matching account may be expended only to the extent that they are matched equally with contributions to the account from ~~private~~ nonstate sources or by funds contributed to the nongame wildlife management account. The private contributions may be made in cash or in contributions of land or interests in land that are designated by the commissioner of natural resources as program acquisitions. Appropriations transferred to the account

that are not matched within three years from the date of the appropriation shall cancel to the source of the appropriation. For the purposes of this section, the private contributions of land or interests in land shall be valued in accordance with their appraised value.

Subd. 4. [MANAGEMENT.] The critical habitat ~~private sector~~ matching account shall be managed to earn the highest interest compatible with prudent investment, preservation of principal, and reasonable liquidity. Unless an appropriation to the account reverts to its original source under subdivision 3, the principal and interest in the account remain in the account until expended as provided in this section.

Subd. 5. [PLEDGES AND CONTRIBUTIONS.] The commissioner of natural resources may accept contributions and pledges to the critical habitat ~~private sector~~ matching account. A pledge that is made contingent on an appropriation is acceptable and shall be reported with other pledges as required in this section. In the budget request for each biennium, the commissioner shall report the balance of contributions in the account and the amount that has been pledged for payment in the succeeding two calendar years.

Money in the account is appropriated to the commissioner of natural resources only for the direct acquisition or improvement of land or interests in land as provided in section 84.944. To the extent of available appropriations other than bond proceeds, the money matched to the nongame wildlife management account may be used for the management of nongame wildlife projects as specified in section 290.431. Acquisition includes: (1) purchase of land or an interest in land by the commissioner; or (2) acceptance by the commissioner of gifts of land or interests in land as program projects.

Sec. 72. Minnesota Statutes 1988, section 92.67, subdivision 5, is amended to read:

Subd. 5. [TERMS OF SALE.] For the sale of the public lands under this section, the purchaser shall pay the state ten percent of the purchase price at the time of the sale. The balance must be paid in no more than 20 equal annual installments. The interest rate on the remaining balance shall be at the rate ~~in effect~~ used by the Federal Home Loan Bank Board at the time of the sale ~~under section 549.09~~.

Sec. 73. Minnesota Statutes 1989 Supplement, section 97A.475, subdivision 2, is amended to read:

Subd. 2. [RESIDENT HUNTING.] Fees for the following licenses, to be issued to residents only, are:

(1) for persons under age 65 to take small game, $10;

(2) for persons age 65 or over, $5;

(3) to take turkey, $14;

(4) to take deer with firearms, $22;

(5) ~~family license to take deer with firearms, $84;~~

~~(6)~~ to take deer by archery, $22;

~~(7)~~ (6) to take moose, for a party of not more than four persons, $275;

~~(8)~~ (7) to take bear, $33; and

~~(9)~~ (8) to take elk, for a party of not more than two persons, $220.

Sec. 74. Minnesota Statutes 1989 Supplement, section 105.41, subdivision 5a, is amended to read:

Subd. 5a. [WATER USE PROCESSING FEE.] (a) Except as provided in paragraph (b), a water use processing fee not to exceed $2,000 must be prescribed by the commissioner in accordance with the following schedule of fees for each water use permit in force at any time during the year:

(1) 0.05 cent per 1,000 gallons for the first 50 million gallons per year; and

(2) 0.1 cents per 1,000 gallons for the amounts greater than 50 million gallons per year.

(b) For once-through cooling systems as defined in subdivision 1c, a water use processing fee must be prescribed by the commissioner in accordance with the following schedule of fees for each water use permit in force at any time during the year:

(1) ~~5.0 cents per 1,000 gallons until December 31, 1991;~~

~~(2)~~ 10.0 cents ~~for~~ per 1,000 gallons from January 1, ~~1992~~ 1990, until December 31, 1996; and

~~(3)~~ (2) 15.0 cents per 1,000 gallons ~~after~~ beginning January 1, 1997.

(c) The fee is payable based on the amount of water permitted during the year and in no case may the fee be less than $25.

(d) Failure to pay the fee is sufficient cause for revoking a permit.

Sec. 75. Minnesota Statutes 1989 Supplement, section 115A.54, subdivision 2a, is amended to read:

Subd. 2a. [SOLID WASTE MANAGEMENT PROJECTS.] (a) The board shall provide technical and financial assistance for the acquisition and betterment of solid waste management projects as provided in this subdivision and section 115A.52. Money appropriated for the purposes of this subdivision must be distributed as grants.

(b) Except as provided in paragraph (c), a project may receive grant assistance up to 25 percent of the capital cost of the project or $2,000,000, whichever is less, except that projects constructed as a result of intercounty cooperative agreements may receive (1) grant assistance up to 25 percent of the capital cost of the project; or (2) $2,000,000 times the number of participating counties, whichever is less.

(c) A recycling project or a project to compost or co-compost waste may receive grant assistance up to 50 percent of the capital cost of the project or $2,000,000, whichever is less, except that projects completed as a result of intercounty cooperative agreements may receive (1) grant assistance up to 50 percent of the capital cost of the project; or (2) $2,000,000 times the number of participating counties, whichever is less.

(d) Notwithstanding paragraph (e), the agency may award grants for transfer stations that will initially transfer waste to landfills if the transfer stations are part of a planned resource recovery project, the county where the planned resource recovery facility will be located has a comprehensive solid waste management plan approved by the agency, and the solid waste management plan proposes the development of the resource recovery facility. If the proposed resource recovery facility is not in place and operating within five years of the date of the grant award, the recipient shall repay the grant amount to the state.

(e) Projects without resource recovery are not eligible for assistance.

(f) In addition to any assistance received under clause (b) or (c), a project may receive grant assistance for the cost of tests necessary to determine the appropriate pollution control equipment for the project or the environmental effects of the use of any product or material produced by the project.

(g) In addition to the application requirements of section 115A.51, an application for a project serving eligible jurisdictions in only a single county must demonstrate that cooperation with jurisdictions in other counties to develop the project is not needed or not feasible. Each application must also demonstrate that the project is not financially prudent without the state assistance, because of the

applicant's financial capacity and the problems inherent in the waste management situation in the area, particularly transportation distances and limited waste supply and markets for resources recovered.

(h) For the purposes of this subdivision, a "project" means a processing facility, together with any transfer stations, transmission facilities, and other related and appurtenant facilities primarily serving the processing facility. The board shall adopt rules for the program by July 1, 1985.

Sec. 76. Minnesota Statutes 1989 Supplement, section 115A.923, subdivision 2, is amended to read:

Subd. 2. [DISPOSITION OF PROCEEDS.] ~~After reimbursement to the department of revenue for costs incurred in administering this section,~~ The proceeds of the fees imposed under this section, including interest and penalties, must be deposited as follows:

(1) three-quarters of the proceeds must be deposited in the greater Minnesota landfill maintenance fund; and

(2) one-quarter of the proceeds must be deposited in the greater Minnesota landfill contingency action fund.

Sec. 77. Minnesota Statutes 1988, section 116.36, subdivision 1, is amended to read:

Subdivision 1. For the purposes of ~~this section and section 116.37~~ sections 116.36 to 116.38, the following terms ~~shall~~ have the meanings given.

Sec. 78. [116.38] [PCB BURNING.]

Subdivision 1. [STATE POLICY.] The legislature finds that risks to human health must be adequately evaluated before a facility may burn PCBs. The legislature also finds that if there is a risk to human health, all human health must be treated with equal concern, and facilities that cause risks to human health must not be allowed to operate in sparsely populated areas if they would not be allowed to operate in heavily populated areas.

Subd. 2. [EIS REQUIRED.] The pollution control agency may not allow burning of wastes containing 50 ppm or greater PCBs by permit or otherwise unless an environmental impact statement is completed. This section does not apply to experimental burning of small quantities of waste containing 50 ppm or greater PCBs.

Sec. 79. Minnesota Statutes 1988, section 116.65, subdivision 3, is amended to read:

Subd. 3. [APPROPRIATION.] Sufficient funds are appropriated from the vehicle emission inspection account to the agency for the reimbursement of obligations incurred by the inspection maintenance operator during the initial contract period for the contract entered into under section 116.62, subdivision 3. By the end of the initial contract entered by the agency under section 116.62, subdivision 3, the amounts appropriated from the motor vehicle transfer fund to the vehicle emission inspection account must be repaid to the transfer fund, and the amounts necessary for this repayment are appropriated from the vehicle emission inspection account.

Sec. 80. Minnesota Statutes 1989 Supplement, section 116.85, is amended to read:

116.85 [MONITORS REQUIRED FOR INCINERATORS.]

Subdivision 1. [EMISSION MONITORS.] Notwithstanding any other law to the contrary, an incinerator permit that contains emission limits for dioxin, cadmium, chromium, lead, or mercury must, as a condition of the permit, require the installation of an air emission monitoring system approved by the commissioner. The monitoring system must provide continuous measurements to ensure optimum combustion efficiency for the purpose of ensuring optimum dioxin destruction. The system shall also be capable of providing a permanent record of monitored emissions that will be available upon request to the commissioner and the general public. The commissioner shall provide periodic inspection of the monitoring system to determine its continued accuracy. The facility must conduct periodic stack testing for mercury at intervals not to exceed 90 days. Refuse-derived fuel facilities must conduct periodic stack testing for mercury at intervals not to exceed 15 months unless a previous test showed a permit exceedance after which the agency may require quarterly testing until permit requirements are satisfied.

Subd. 2. [CONTINUOUSLY MONITORED EMISSIONS.] Should, at any time after normal startup, the permitted facility's continuously monitored emissions exceed permit requirements, based on accurate and valid emissions data, the facility shall immediately report the exceedance to the commissioner and immediately either commence appropriate modifications to the facility to ensure its ability to meet permitted requirements or commence shutdown if the modifications cannot be completed within 72 hours. Compliance with permit requirements must then be demonstrated based on additional testing.

Subd. 3. [PERIODICALLY TESTED EMISSIONS.] Should, at any time after normal startup, the permitted facility's periodically tested emissions exceed permit requirements based on accurate and valid emissions data, the facility shall immediately report the exceedance to the commissioner, and the commissioner shall direct

the facility to commence appropriate modifications to the facility to ensure its ability to meet permitted requirements within 30 days, or to commence appropriate testing for a maximum period of 30 days to assure compliance with applicable permit limits. If the commissioner determines that compliance has not been achieved after 30 days, then the facility shall shut down until compliance with permit requirements is demonstrated based on additional testing. This section shall not be construed to limit the authority of the agency to regulate incinerator operations under any other law.

Sec. 81. [116.87] [CARBON DIOXIDE; LEGISLATIVE INTENT.]

The legislature recognizes that waste carbon dioxide emissions, primarily from transportation and industrial sources, are a primary component of the global greenhouse effect that warms the earth's atmosphere and will result in untold and irreparable damage to the agricultural, water, forest, and wildlife resources of the state. The legislature further recognizes that trees are a major factor in keeping the earth's carbon cycle balanced, and planting trees and perennial shrubs and vines recycles carbon downward from the atmosphere.

Sec. 82. Minnesota Statutes 1988, section 116D.04, subdivision 5a, is amended to read:

Subd. 5a. The board shall, by January 1, 1981, promulgate rules in conformity with this chapter and the provisions of chapter 15, establishing:

(a) The governmental unit which shall be responsible for environmental review of a proposed action;

(b) The form and content of environmental assessment worksheets;

(c) A scoping process in conformance with subdivision 2a, clause (e);

(d) A procedure for identifying during the scoping process the permits necessary for a proposed action and a process for coordinating review of appropriate permits with the preparation of the environmental impact statement;

(e) A standard format for environmental impact statements;

(f) Standards for determining the alternatives to be discussed in an environmental impact statement;

(g) Alternative forms of environmental review which are acceptable pursuant to subdivision 4a;

(h) A model ordinance which may be adopted and implemented by local governmental units in lieu of the environmental impact statement process required by this section, providing for an alternative form of environmental review where an action does not require a state agency permit and is consistent with an applicable comprehensive plan. The model ordinance shall provide for adequate consideration of appropriate alternatives, and shall ensure that decisions are made in accordance with the policies and purposes of Laws 1980, chapter 447;

(i) Procedures to reduce paperwork and delay through intergovernmental cooperation and the elimination of unnecessary duplication of environmental reviews;

(j) Procedures for expediting the selection of consultants by the governmental unit responsible for the preparation of an environmental impact statement; and

(k) Any additional rules which are reasonably necessary to carry out the requirements of this section.

The legislature, by concurrent resolution, may request the board to order a generic environmental impact statement of a proposed action.

Sec. 83. Minnesota Statutes 1988, section 116D.04, subdivision 10, is amended to read:

Subd. 10. Decisions on the need for an environmental assessment worksheet, the need for an environmental impact statement and the adequacy of an environmental impact statement may be reviewed by a declaratory judgment action in the district court of the county wherein the proposed action, or any part thereof, would be undertaken, except that decisions by state agencies may be reviewed by the court of appeals under sections 14.63 to 14.69. Judicial review under this section shall be initiated within 30 days after the governmental unit makes the decision, and a bond may be required under section 562.02 unless at the time of hearing on the application for the bond the plaintiff has shown that the claim has sufficient possibility of success on the merits to sustain the burden required for the issuance of a temporary restraining order. Nothing in this section shall be construed to alter the requirements for a temporary restraining order or a preliminary injunction pursuant to the Minnesota rules of civil procedure for district courts. The board may initiate judicial review of decisions referred to herein and may intervene as of right in any proceeding brought under this subdivision.

Sec. 84. Minnesota Statutes 1988, section 116D.045, subdivision 3, is amended to read:

Subd. 3. The responsible governmental unit shall assess the project proposer for reasonable costs in preparing and distributing the environmental impact statement and the proposer shall pay the assessed cost to the responsible governmental unit. All money received pursuant to this subdivision shall be deposited in the ~~general~~ special revenue fund and is appropriated to responsible agencies for costs associated with environmental impact statements required under section 116D.04. Money received under this subdivision by a responsible governmental unit that is not a state agency may be retained by the unit for the same purposes.

Sec. 85. Minnesota Statutes 1989 Supplement, section 116J.01, subdivision 3, is amended to read:

Subd. 3. [DEPARTMENTAL ORGANIZATION.] The commissioner shall organize the department as provided in section 15.06. The department must be organized into four divisions, designated as the business promotion and marketing division, the community development division, the policy analysis and science and technology division, and the Minnesota trade division~~, and~~; the office of tourism; and the amateur sports commission. Each division ~~and~~, office, and commission shall administer the duties and functions assigned to it by law. When the duties of the divisions ~~or~~, office, or commission are not allocated by law, the commissioner may establish and revise the assignments of each division ~~and~~, office, or commission. Each division is under the direction of a deputy commissioner in the unclassified service. The deputy commissioner of the Minnesota trade division must be experienced and knowledgeable in matters of international trade.

~~Each~~ The office is under the direction of a director in the unclassified service.

Sec. 86. Minnesota Statutes 1988, section 116J.971, is amended by adding a subdivision to read:

Subd. 1a. [DUTIES OF COMMISSIONER.] The commissioner shall have the following duties relating to science and technology:

(1) prepare and deliver to the legislature every January 15, a science and technology annual report that shall contain:

(i) a list of the scientifically and technologically related research and development projects and development activities funded by a grant or loan of state money;

(ii) guidelines that the legislature may use in allocating state grant or loan money for scientifically and technologically related research and development projects, to include assessments of emerg-

ing technologies and those technologies that provide significant promise for the development of job-creating businesses; and

(iii) an analysis of the efficacy and completeness of the decentralized research peer review processes mandated in subdivision 6, with special emphasis on whether or not scientifically and technologically related research and development projects in Minnesota are in conformance with the guidelines established in subdivision 6, and whether or not the scientifically and technologically related research and development projects have or will result in creating scientifically and technologically related jobs;

(2) keep a current roster of technology intensive businesses in the state; and

(3) collect and disseminate information on financial, technical, marketing, management, and other services available to technology intensive small and emerging businesses, including potential sources of debt and equity capital.

Sec. 87. Minnesota Statutes 1989 Supplement, section 116J.971, subdivision 6, is amended to read:

Subd. 6. [PEER REVIEW PLANS.] A state agency, board, commission, authority, institution or other entity, including the Greater Minnesota Corporation, that allocates state money by a grant, loan, or contract for scientifically and technologically related research shall establish a peer review system to evaluate the research. The ~~committee on~~ policy analysis and science and technology ~~research and development~~ division shall recommend guidelines for establishing effective peer review. An agency, board, commission, authority, or institution that funds scientifically and technologically related research shall, at least biennially, present to the ~~committee on~~ office of policy analysis and science and technology ~~research and development or to ad hoc committees~~ division, as determined by the ~~committee on science and technology research and development~~ deputy commissioner, a review and evaluation of the peer review process used in that organization.

Sec. 88. Minnesota Statutes 1989 Supplement, section 116J.971, subdivision 7, is amended to read:

Subd. 7. [AUTHORITY TO PERFORM REQUESTED EVALUATIONS.] The governor, commissioner, speaker of the house of representatives, house of representatives minority leader, senate majority leader, senate minority leader, chair of the house of representatives appropriations committee, chair of the senate finance committee, or a member of the legislature considering the introduction or approval of legislation containing funding for scientifically and technologically related research and development, may request the ~~committee on~~ policy analysis and science and technology ~~research and devel-~~

~~opment~~ division to evaluate a loan or grant made or to be made or the proposed legislation for funding scientifically and technologically related research and development to determine (1) whether it complies with the guidelines required by ~~section 116J.970~~ subdivision 1a, clause ~~(2)~~ (1), item (ii); (2) whether it is technically feasible; and (3) for development proposals, whether the proposal appears to have the potential for economic development. ~~Ad hoc committees may be appointed by the committee on science and technology research and development to perform these reviews.~~

Sec. 89. Minnesota Statutes 1989 Supplement, section 116J.971, subdivision 8, is amended to read:

Subd. 8. [AUTHORITY FOR REVIEW AND COMMENT UPON RESEARCH AND DEVELOPMENT PROGRAMS.] Each agency, board, commission, authority, institution or other entity, including the Greater Minnesota Corporation, that allocates state money by a grant, loan, or a contract for scientifically and technologically related research and development must notify the commissioner within 60 days of making a loan or grant for scientifically or technologically related research and development. The notice shall contain a summary of the nature of and significant objectives of the research and development project funded by a grant or loan. The notice must also include information on the size and timing of previous grants or loans and anticipated additional funding needs. The ~~committee on science and technology research and development~~ commissioner shall, at least once each biennium, review scientifically and technologically related research funded by a state agency, board, commission, authority, institution or other entity, including the Greater Minnesota Corporation, to assess whether or not the research and development is conducted in accordance with the guidelines required by ~~section 116J.970~~ subdivision 1a, clause ~~(2)~~ (1), item (ii). The ~~committee's~~ commissioner's assessment shall be sent to the legislature on or before January 15 of every odd-numbered year.

Sec. 90. Minnesota Statutes 1988, section 116J.980, is amended to read:

116J.980 [COMMUNITY DEVELOPMENT DIVISION.]

Subdivision 1. [DUTIES.] The community development division is a division within the department of trade and economic development. It shall:

(1) be responsible for administering all state community development and assistance programs, including the economic recovery fund, the outdoor recreation grant program, ~~the rural development board programs,~~ the community development corporation program, the urban revitalization program, the Minnesota public facilities

authority loan and grant programs, and the enterprise zone program;

(2) be responsible for state administration of federally funded community development and assistance programs, including the small cities development grant program and land and water conservation program;

(3) provide technical assistance to rural communities for community development in cooperation with regional development commissions;

(4) coordinate the development and review of state rural development policies; and

(5) ~~provide staff and consultant services to the rural development board; and~~

~~(6)~~ be responsible for coordinating community assistance and development programs in cooperation with regional development commissions.

Subd. 2. [GENERAL COMPLEMENT AUTHORITY.] The community development division may combine all related state and federal complement positions into general fund positions, to carry out the responsibilities under subdivision 1. The number of general fund positions must not exceed the aggregate number of all state and federal positions that are to be combined. Records of the actual number of employee hours charged to each state and federal account must be maintained for each general fund position. This subdivision does not apply to the administration of the public facilities authority.

Subd. 3. [REVIEW REQUIRED FOR HOUSING-RELATED GRANTS.] The commissioner may not award a housing-related grant under the small cities community development block grant program under section 116J.401 unless the grant application has been reviewed by the commissioner of the Minnesota housing finance agency.

Sec. 91. [116J.987] [CHALLENGE GRANT PROGRAMS.]

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

(a) "Local governmental unit" means a home rule charter or statutory city when the project is located in an incorporated area, a county when the project is located in an unincorporated area, or an American Indian tribal council when the project is located within a federally recognized American Indian reservation or community.

(b) "Low income" means equal to or below the nonmetropolitan median household income.

(c) "Principally" means more than half.

(d) "Regional organization" or "organization" means an organization selected under subdivision 4.

(e) "Rural" means the area of Minnesota located outside of the metropolitan area as defined in section 473.121, subdivision 2.

Subd. 2. [ORGANIZATION.] The commissioner shall make challenge grants to regional organizations to encourage private investment, to provide jobs for low-income persons, and to promote economic development in the rural areas of the state.

Subd. 3. [FUNDING REGIONS.] The commissioner shall divide the state outside of the metropolitan area as defined in section 473.121, subdivision 2, into six regions. A region's boundaries must be coterminous with the boundaries of one or more of the development regions established under section 462.385. The board shall designate up to $1,000,000 for each region, to be awarded over a period of three years. The money designated to each region must be used for revolving loans authorized in this section.

Subd. 4. [SELECTION OF ORGANIZATIONS TO RECEIVE CHALLENGE GRANTS.] The commissioner shall select at least one organization for each region to receive the challenge grants and shall enter into grant agreements with the organizations. An organization must be a nonprofit corporation and must demonstrate that:

(1) its board of directors includes citizens experienced in rural development, representatives of the regional development commissions, and representatives from all geographic areas in the region;

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

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

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

(5) it can establish and administer a revolving loan fund.

Subd. 5. [REVOLVING LOAN FUND.] A regional organization shall establish a revolving loan fund certified by the commissioner to provide loans to new and expanding businesses in rural Minnesota to promote economic development. Eligible business enter-

prises include technologically innovative industries, value-added manufacturing, agriprocessing, information industries, and agricultural marketing. Loan applications given preliminary approval by the organization must be forwarded to the commissioner for final approval. The amount of state money allocated for each loan is appropriated from the rural rehabilitation account established in section 116J.955 to the organization's regional revolving loan fund when the commissioner gives final approval for each loan. The amount of money appropriated from the rural rehabilitation account may not exceed 50 percent for each loan. The amount of nonpublic money must equal at least 50 percent for each loan.

Subd. 6. [LOAN CRITERIA.] The following criteria apply to loans made under the challenge grant program:

(1) loans must be made to businesses that are not likely to undertake a project for which loans are sought without assistance from the challenge grant program;

(2) a loan must be used for a project designed principally to benefit low-income persons through the creation of job opportunities for them. Among loan applicants, priority must be given on the basis of the number of permanent jobs created or retained by the project and the proportion of nonstate money leveraged by the revolving loan;

(3) the minimum loan is $5,000 and the maximum loan is $100,000;

(4) with the approval of the commissioner, a loan may be used to provide up to 50 percent of the private investment required to qualify for a grant from the economic recovery fund;

(5) a loan may not exceed 50 percent of the total cost of an individual project;

(6) a loan may not be used for a retail development project; and

(7) a business applying for a loan must be sponsored by a resolution of the governing body of the local governmental unit within whose jurisdiction the project is located.

Subd. 7. [REVOLVING FUND ADMINISTRATION.] (a) The commissioner shall establish a minimum interest rate for loans to ensure that necessary management costs are covered.

(b) Loan repayment amounts equal to one-half of the principal and interest must be deposited in the rural rehabilitation account for challenge grants to the region from which the money was originally designated. The remaining amount of the loan repayment may be deposited in the regional revolving loan fund for further distribution

by the regional organization, consistent with the loan criteria specified in subdivisions 5 and 6.

(c) The first $1,000,000 of revolving loans for each region must be matched by nonstate sources. The matching requirement does not apply to loans made under subdivision 7, paragraph (b).

(d) Administrative expenses of each organization may be paid out of the interest earned on loans.

Subd. 8. [RULES.] The commissioner shall adopt rules to implement the duties specified in this section.

Subd. 9. [LOCAL GOVERNMENTAL UNIT LOANS.] A local governmental unit may receive a loan under this section if the local governmental unit has established a local revolving loan fund and can provide at least an equal match to the loan received from a regional organization. For the purpose of providing the match to establish the local revolving loan fund, the local governmental unit may use any unencumbered money in the general fund of the local government unit. Revenues from tax increments derived from a district located within the boundaries of the local governmental unit may be used to fund a second local revolving loan fund only if (1) those revenues are loaned in a manner authorized in the district's tax increment financing plan to a business located within the tax increment district, and (2) the revenues are deposited in a loan fund that is separate from the loan fund in which general fund money is established. The local governmental unit may deposit up to $50,000 of local public money in each of the local revolving funds that may be established under this subdivision. The maximum loan available to a local governmental unit under this section is $50,000. The money loaned to a local governmental unit by a regional organization must be matched by the local revolving loan fund and used to provide loans to businesses to promote local economic development. One-half of the money loaned to a local governmental unit under this section by a regional organization must be repaid to the rural rehabilitation account. One-half of the money may be retained by the local governmental unit's revolving loan fund for further distribution by the local governmental unit.

Subd. 10. [REGIONAL COOPERATION.] An organization that receives a challenge grant shall cooperate with other regional organizations, including regional development commissions, community development corporations, community action agencies, and the Minnesota small business development centers and satellites, in carrying out challenge grant program and technical assistance responsibilities.

Subd. 11. [REPORTING REQUIREMENTS.] An organization that receives a challenge grant shall:

(1) submit an annual report to the commissioner by February 15 of each year that includes a description of projects supported by the challenge grant program, an account of loans made during the calendar year, the source and amount of money collected and distributed by the challenge grant program, the program's assets and liabilities, and an explanation of administrative expenses; and

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

Subd. 12. [ACCOUNT ALLOCATION.] The commissioner shall make a one-time allocation of $6,000,000 from the rural rehabilitation account to be used for the challenge grant program.

Sec. 92. [116J.988] [RURAL REHABILITATION PILOT PROJECT PROGRAM.]

The commissioner shall establish a rural rehabilitation pilot project program to award up to $500,000 from the rural rehabilitation account in grants to public, nonprofit, or private organizations to support farm-related pilot projects for rural development. Projects must be designed to principally benefit low-income persons. The commissioner shall adopt rules to implement the rural rehabilitation pilot project program.

Sec. 93. Minnesota Statutes 1989 Supplement, section 116L.03, subdivision 2, is amended to read:

Subd. 2. [APPOINTMENT.] The Minnesota job skills partnership board consists of: eight members appointed by the governor, the commissioner of trade and economic development, the commissioner of jobs and training, and the ~~state director of vocational technical education~~ executive director of the higher education coordinating board.

Sec. 94. Minnesota Statutes 1988, section 116L.03, is amended by adding a subdivision to read:

Subd. 8. [REIMBURSEMENT.] Citizen board members shall be reimbursed for expenses according to section 15.0575.

Sec. 95. Minnesota Statutes 1988, section 116P.11, is amended to read:

116P.11 [AVAILABILITY OF FUNDS FOR DISBURSEMENT.]

(a) The amount biennially available from the trust fund for the budget plan developed by the commission consists of the interest

earnings generated from the trust fund ~~generated in the preceding two fiscal years ending on the even-numbered year~~.

(b) For funding projects through fiscal year 1997, the following additional amounts are available from the trust fund for the budget plans developed by the commission:

(1) for the 1991-1993 biennium, up to 25 percent of the revenue deposited in the trust fund in fiscal years ~~1989~~ 1990 and ~~1990~~ 1991;

(2) for the 1993-1995 biennium, up to 20 percent of the revenue deposited in the trust fund in fiscal year 1991 and up to 15 percent of the revenue deposited in the fund in fiscal year 1992; and

(3) for the 1995-1997 biennium, up to ten percent of the revenue deposited in the fund in fiscal year 1993 and up to five percent of the revenue deposited in the fund in fiscal year 1994.

(c) Any appropriated funds not encumbered in the biennium in which they are appropriated cancel and must be credited to the principal of the trust fund.

Sec. 96. [174.52] [OFFICE OF TOURISM.]

Notwithstanding any law to the contrary, the department of transportation shall provide space free of charge to the office of tourism for travel information centers. The department of transportation shall provide highway maps free of charge for use and distribution through the travel information centers. The department of transportation shall not charge the office of tourism for any regular expenses associated with the operation of the travel information centers.

Sec. 97. Minnesota Statutes 1988, section 184.33, subdivision 1, is amended to read:

Subdivision 1. The department shall issue a license as an employment agent, employment agency manager or counselor to any person who qualifies for such license under the terms of sections 184.21 to 184.40. The department may refuse to issue an employment agency license whenever, after due investigation, the department finds that the character of the applicant makes the applicant unfit to be an employment agent, or when the premises for conducting the business of an employment agent is found upon investigation to be unfit for such use. No agency license shall be issued to any person, firm, corporation or association that has, within the past three years, been convicted in any court of fraud or felony. No license shall be issued to any attorney whose license to practice law has been suspended or revoked, for a period of three years after the date of such suspension or revocation. The department may refuse to

issue a license to any person ~~or may suspend or revoke the license of any,~~ employment agent, employment agency manager, or counselor when it finds that any of the following conditions exist:

(a) That the employment agent or counselor has violated any condition of the bond required by sections 184.21 to 184.40;

(b) That the person, employment agent or counselor has personally engaged in a fraudulent, deceptive, or dishonest practice;

(c) That the person, employment agent or counselor has violated any provisions of sections 184.21 to 184.40;

(d) That the person, employment agent or counselor has been legally adjudicated incompetent and has not been restored to capacity.

Sec. 98. Minnesota Statutes 1988, section 184.33, is amended by adding a subdivision to read:

Subd. 3. [REVOCATION.] A license is automatically revoked upon the license holder's second criminal conviction for a violation of sections 184.21 to 184.40 within any five year period.

Sec. 99. Minnesota Statutes 1988, section 184.35, is amended to read:

184.35 [APPEAL TO DISTRICT COURT.]

If the department refuses to grant a license, ~~or suspends or revokes a license that has been granted,~~ the applicant shall have the right of appeal to the district court of the county of the applicant's residence; and in the event the applicant is a nonresident of the state, then to the district court for Ramsey county. Such court shall advance such causes on their calendars for early disposition; and in counties having continuous sessions of court, the same shall be heard within 20 days after such appeal shall have been perfected. Such appeal shall be perfected by the service of a written notice of appeal upon the commissioner within 60 days after notice to the applicant of the department's action.

Sec. 100. Minnesota Statutes 1988, section 190.08, is amended by adding a subdivision to read:

Subd. 4a. [EXECUTIVE DIRECTOR.] The adjutant general may appoint an executive director of the department of military affairs. The executive director shall serve at the pleasure of the adjutant general.

Sec. 101. Minnesota Statutes 1989 Supplement, section 190.25, subdivision 3, is amended to read:

Subd. 3. The adjutant general is authorized to sell in the manner provided by law any or all

(1) land, and

(2) timber, growing crops, buildings, and other improvements, if any, situated upon the ~~lands~~ land,

acquired under the authority of subdivision 1 or which may hereafter comprise the Camp Ripley military field training center and not needed for military training purposes. The proceeds of any sales shall be deposited in the general fund. The adjutant general may use funds that are directly appropriated for the acquisition of land, the payment of expenses of forest management on land forming the Camp Ripley military reservation, and the provision of an enlisted person's service center.

Sec. 102. Minnesota Statutes 1988, section 240A.02, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP; COMPENSATION; CHAIR.] The Minnesota amateur sports commission consists of nine voting members, ~~four of whom must be experienced in promoting amateur sports, appointed by the governor to three-year terms. Two legislators, one from each house appointed according to its rules, shall be nonvoting members~~ including the commissioner of the department of trade and economic development or a designee and eight members appointed by the governor, at least four of whom must be experienced in promoting amateur sports. Terms, compensation, and removal of members and the filling of membership vacancies are as provided in section 15.0575~~.~~, except that a member may be reappointed. The ~~governor~~ commission shall ~~appoint the~~ choose a chair and vice-chair of the commission ~~after consideration of the commission's recommendation~~.

Sec. 103. Minnesota Statutes 1988, section 240A.02, subdivision 3, is amended to read:

Subd. 3. [STAFF.] The commission shall ~~appoint an executive director, who may hire other employees authorized by the commission~~ recommend to the commissioner a list of three people, one of whom shall be appointed the executive director. The executive director ~~and any other employees are in the~~ shall serve in the unclassified service under section 43A.08.

Sec. 104. Minnesota Statutes 1988, section 240A.03, subdivision 13, is amended to read:

Subd. 13. [NONPROFIT CORPORATIONS AND FOUNDATIONS.] The commission, and any other state office, agency, or board owning or operating a sport facility designated as an official training center by the national governing body of that sport, may establish nonprofit corporations and charitable foundations. Members and employees of the commission may not serve on the governing board or accept a position of fiscal responsibility with a nonprofit corporation or foundation created by the commission. The commission shall establish formal written agreements with nonprofit corporations and foundations when exchanging services or offering support. The commission may not maintain accounts or collect receipts for nonprofit corporations or foundations.

Sec. 105. Minnesota Statutes 1988, section 240A.03, is amended by adding a subdivision to read:

Subd. 13a. [DEBTS.] The commission may not enter into an agreement which would obligate the state to pay any part of a debt incurred by a public or private facility, nonprofit corporation, foundation, organization, or attraction.

Sec. 106. [240A.08] [AGREEMENTS OBLIGATING STATE.]

The amateur sports commission may not enter into an agreement obligating it or the state to share in the operation of any amateur sports facility. The commission may not enter into any agreement that would commit the commission or the state into sharing in the profit or loss of any amateur sports facility. This section does not apply to the national sports center at Blaine.

Sec. 107. [256.4825] [OFFICE ON DISABILITY AND DEVELOPMENTAL DISABILITY.]

Subdivision 1. [ESTABLISHMENT OF OFFICE.] There is established the office on disability and developmental disability that shall consist of the council on disability and developmental disability. The office shall exercise those functions specified in this section and the duties previously performed by the technology council for people with disabilities and the state council on disabilities that are abolished. The council on disability and developmental disability shall consist of 21 members appointed by the governor. Members shall be appointed from the general public and from organizations that provide services for persons who have a disability. A majority of council members shall be persons with a disability or parents or guardians of persons with a disability. There shall be at least one member of the council appointed from each of the state development regions. The commissioners of the departments of education, human services, health, jobs and training, and human rights and the directors of the division of rehabilitation services and state services for the blind or their designees shall serve as ex officio members of the council without vote. In addition, the council may appoint ex

officio members from other bureaus, divisions, or sections of state departments that are directly concerned with the provision of services to persons with a disability.

Terms, compensation, and removal of all members shall be as provided in section 15.059 except that no member may serve more than two consecutive four-year terms.

The council shall elect a chair and vice-chair. The chair and vice-chair shall be elected for two-year terms at the first meeting of the council in the even-numbered fiscal year.

Subd. 2. [EXECUTIVE DIRECTOR; STAFF.] The governor shall appoint the executive director of the office on disability and developmental disability. The executive director shall be in the unclassified service of the state and shall provide administrative support and leadership to implement mandates, policies, and objectives. The executive director shall employ and direct staff authorized according to federal and state laws. All staff will serve in the unclassified service of the state. Salaries shall be established under chapter 43A.

Subd. 3. [RECEIPT OF FUNDS.] Whenever any person, firm, corporation, or the federal government offers to the office funds by the way of gift, grant, or loan, for purposes of assisting the council to carry out its powers and duties, the council may accept the offer by majority vote and, upon acceptance, the chair shall receive the funds subject to the terms of the offer. However, no money shall be accepted or received as a loan nor shall any indebtedness be incurred except in the manner and under the limitations otherwise provided by law.

Subd. 4. [ORGANIZATION; COMMITTEES.] The council on disability and developmental disability shall organize itself in conformity with its responsibilities under this section and shall establish committees that give detailed attention to the special needs of each category of persons who have a disability. The council shall establish at least two committees, one on developmental disabilities and a second on technology for people with disabilities. The members of the committees shall be designated by the chair with the approval of a majority of the council.

Subd. 5. [DUTIES AND POWERS.] The office shall have the following duties and powers:

(1) to advise and otherwise aid the governor; appropriate state agencies, including but not limited to the departments of education, human services, jobs and training, and human rights and the divisions of rehabilitation services and services for the blind; the state legislature; and the public on matters pertaining to public policy and the administration of programs, services, and facilities for persons who have a disability in Minnesota;

(2) to encourage and assist in the development of coordinated, interdepartmental goals and objectives and the coordination of programs, services, and facilities among all state departments and private providers of service as they relate to persons with a disability;

(3) to serve as a source of information to the public regarding all services, programs, and legislation pertaining to persons with a disability;

(4) to review and make comment to the governor, state agencies, the legislature, and the public concerning adequacy of state programs, plans and budgets for services to persons with a disability and for funding under the various federal grant programs;

(5) to research, formulate, and advocate plans, programs, and policies which will serve the needs of persons who are disabled;

(6) to advise the departments of labor and industry and jobs and training on the administration and improvement of the workers' compensation law as it relates to programs, facilities, and personnel providing assistance to workers who are injured and disabled;

(7) to advise the workers' compensation division of the department of labor and industry and the workers' compensation court of appeals as to the necessity and extent of any alteration or remodeling of an existing residence or the building or purchase of a new or different residence which is proposed by a licensed architect under section 176.137;

(8) to initiate or seek to intervene as a party in any administrative proceeding and judicial review thereof to protect and advance the right of all persons who are disabled to an accessible physical environment as provided in section 16B.67; and

(9) to initiate or seek to intervene as a party in any administrative or judicial proceeding which concerns programs or services provided by public or private agencies or organizations and which directly affects the legal rights of persons with a disability.

Subd. 6. [TECHNOLOGY FOR PEOPLE WITH DISABILITIES.] The office has the following duties related to technology for people with disabilities:

(1) to identify individuals with disabilities, including individuals from underserved groups, who reside in the state and conduct an ongoing evaluation of their needs for technology-related assistance;

(2) to identify and coordinate state policies, resources, and services relating to the provision of assistive technology devices and

assistive technology services to individuals with disabilities, including entering into interagency agreements;

(3) to provide assistive technology devices and assistive technology services to individuals with disabilities and payment for the provision of assistive technology devices and assistive technology services;

(4) to disseminate information relating to technology-related assistance and sources of funding for assistive technology devices and assistive technology services to individuals with disabilities, the families or representatives of individuals with disabilities, individuals who work for public agencies, and private entities that have contact with individuals with disabilities, including insurers, employers, and other appropriate individuals;

(5) to provide training and technical assistance relating to assistive technology devices and assistive technology services to individuals with disabilities, the families or representatives of individuals with disabilities, individuals who work for public agencies, and private entities that have contact with individuals with disabilities, including insurers, employers, and other appropriate individuals;

(6) to conduct a public awareness program focusing on the efficacy and availability of assistive technology devices and assistive technology services for individuals with disabilities;

(7) to assist statewide and community-based organizations or systems that provide assistive technology services to individuals with disabilities;

(8) to support the establishment or continuation of partnerships and cooperative initiatives between the public sector and the private sector;

(9) to develop standards, or where appropriate, apply existing standards to ensure the availability of qualified personnel for assistive technology devices;

(10) to compile and evaluate appropriate data relating to the program; and

(11) to establish procedures providing for the active involvement of individuals with disabilities, the families or representatives of the individuals, and other appropriate individuals in the development and implementation of the program, and for individuals with disabilities who use assistive technology devices and assistive technology services, for their active involvement, to the maximum extent appropriate in decisions relating to the assistive technology devices and assistive technology services.

Subd. 7. [COLLECTION OF FEES.] The council may establish and collect fees for documents or technical services provided to the public. The fees shall be set at a level to reimburse the office for the actual cost incurred in providing the document or service. All fees collected shall be deposited into the state treasury and credited to the general fund.

Subd. 8. [PERSONS WITH DEVELOPMENTAL DISABILITIES.] The office shall have the following duties and powers with respect to persons with developmental disabilities:

(1) assist persons with developmental disabilities;

(2) be the state agency responsible for establishment, monitoring, and evaluation of a state plan for assisting persons with developmental disabilities;

(3) review state service plans for persons who are developmentally disabled;

(4) be the designated state agency to apply for, receive, accept, and expend federal funds for assistance to persons with developmental disabilities.

Sec. 108. Minnesota Statutes 1989 Supplement, section 270.06, is amended to read:

270.06 [POWERS AND DUTIES.]

The commissioner of revenue shall:

(1) have and exercise general supervision over the administration of the assessment and taxation laws of the state, over assessors, town, county, and city boards of review and equalization, and all other assessing officers in the performance of their duties, to the end that all assessments of property be made relatively just and equal in compliance with the laws of the state;

(2) confer with, advise, and give the necessary instructions and directions to local assessors and local boards of review throughout the state as to their duties under the laws of the state;

(3) direct proceedings, actions, and prosecutions to be instituted to enforce the laws relating to the liability and punishment of public officers and officers and agents of corporations for failure or negligence to comply with the provisions of the laws of this state governing returns of assessment and taxation of property, and cause complaints to be made against local assessors, members of boards of equalization, members of boards of review, or any other assessing or

taxing officer, to the proper authority, for their removal from office for misconduct or negligence of duty;

(4) require county attorneys or request the attorney general to assist in the commencement of prosecutions in actions or proceedings for removal, forfeiture and punishment for violation of the laws of this state in respect to the assessment and taxation of property in their respective districts or counties; if the commissioner refers a prosecution to a county attorney, and the county attorney fails to initiate the prosecution within 30 days, the attorney general may initiate the prosecution;

(5) require town, city, county, and other public officers to report information as to the assessment of property, collection of taxes received from licenses and other sources, and such other information as may be needful in the work of the department of revenue, in such form and upon such blanks as the commissioner may prescribe;

(6) require individuals, copartnerships, companies, associations, and corporations to furnish information concerning their capital, funded or other debt, current assets and liabilities, earnings, operating expenses, taxes, as well as all other statements now required by law for taxation purposes;

(7) summon witnesses to appear and give testimony, and to produce books, records, papers and documents relating to any tax matter which the commissioner may have authority to investigate or determine. Provided, that any summons which does not identify the person or persons with respect to whose tax liability the summons is issued may be served only if (a) the summons relates to the investigation of a particular person or ascertainable group or class of persons, (b) there is a reasonable basis for believing that such person or group or class of persons may fail or may have failed to comply with any tax law administered by the commissioner, (c) the information sought to be obtained from the examination of the records (and the identity of the person or persons with respect to whose liability the summons is issued) is not readily available from other sources, (d) the summons is clear and specific as to the information sought to be obtained, and (e) the information sought to be obtained is limited solely to the scope of the investigation. Provided further that the party served with a summons which does not identify the person or persons with respect to whose tax liability the summons is issued shall have the right, within 20 days after service of the summons, to petition the district court for the judicial district in which lies the county in which that party is located for a determination as to whether the commissioner of revenue has complied with all the requirements in (a) to (e), and thus, whether the summons is enforceable. If no such petition is made by the party served within the time prescribed, the summons shall have the force and effect of a court order;

(8) cause the deposition of witnesses residing within or without the state, or absent therefrom, to be taken, upon notice to the interested party, if any, in like manner that depositions of witnesses are taken in civil actions in the district court, in any matter which the commissioner may have authority to investigate or determine;

(9) investigate the tax laws of other states and countries and to formulate and submit to the legislature such legislation as the commissioner may deem expedient to prevent evasions of assessment and taxing laws, and secure just and equal taxation and improvement in the system of assessment and taxation in this state;

(10) consult and confer with the governor upon the subject of taxation, the administration of the laws in regard thereto, and the progress of the work of the department of revenue, and furnish the governor, from time to time, such assistance and information as the governor may require relating to tax matters;

(11) transmit to the governor, on or before the third Monday in December of each even-numbered year, and to each member of the legislature, on or before November 15 of each even numbered year, the report of the department of revenue for the preceding years, showing all the taxable property in the state and the value of the same, in tabulated form;

(12) inquire into the methods of assessment and taxation and ascertain whether the assessors faithfully discharge their duties, particularly as to their compliance with the laws requiring the assessment of all property not exempt from taxation;

(13) exercise and perform such further powers and duties as may be required or imposed upon the commissioner of revenue by law;

(14) promulgate rules having the force and effect of law, for the administration and enforcement of the property tax;

(15) execute and administer any agreement with the secretary of the treasury of the United States regarding the exchange of information and administration of the tax laws of both the United States and the state of Minnesota;

(16) administer and enforce the provisions of sections 325D.30 to 325D.42, the Minnesota unfair cigarette sales act; and

(17) authorize the use of unmarked motor vehicles to conduct seizures or criminal investigations pursuant to the commissioner's authority.

Sec. 109. Minnesota Statutes 1989 Supplement, section 270.064, is amended to read:

270.064 [REQUESTING ASSISTANCE IN CRIMINAL TAX INVESTIGATIONS.]

If the commissioner of revenue has reason to believe that a criminal violation of the state tax laws or chapter 349 has occurred, the commissioner may request the attorney general or the prosecuting authority of any county to assist in a criminal tax investigation and may disclose ~~return~~ information to the prosecuting authority relevant to the investigation.

Sec. 110. Minnesota Statutes 1988, section 270.68, subdivision 1, is amended to read:

Subdivision 1. [LEGAL ACTION.] In addition to all other methods authorized by law for the collection of tax, if any tax payable to the commissioner of revenue or to the department of revenue, including penalties and interest thereon, is not paid within 60 days after it is required by law to be paid, the commissioner of revenue may, within five years after the date of assessment of the tax, bring an action at law against the person liable for the payment or collection of the tax, in the name of the state, for the recovery of the tax and interest and penalties due in respect thereof. The action shall be brought in the district court of the judicial district in which lies the county of the residence or principal place of business within this state of the taxpayer, or, in the case of an estate or trust, of the place of its principal administration, and for this purpose the place named as such in the return, if any, made by the taxpayer shall be conclusive against the taxpayer in this matter. If no place is named in the return, the action may be commenced in Ramsey county. The action shall be commenced by filing with the court administrator a statement showing the name and address of the taxpayer, if known, an itemized summary of the taxable periods and the type of tax, the tax due and unpaid and the interest and penalties due with respect thereto under the provisions of law applicable to the tax, and shall contain a prayer that the court adjudge the taxpayer to be indebted on account of the taxes, interest, and penalties in the amount specified in the statement; a copy of the statement shall be furnished to the court administrator therewith. The court administrator shall mail a copy of the statement by certified mail to the taxpayer at the address given in the return, if any; and, if no address is given, then at the taxpayer's last known address, within five days after the same is filed, except that, if the taxpayer's address is not known, notice shall be made by posting a copy of the statement for ten days in the place in the courthouse where public notices are regularly posted. To litigate the claim, or any part thereof, the taxpayer shall file a verified answer with the court administrator setting forth objections to the claim, or any part thereof; the answer shall be filed on or before the 20th day after the date of mailing the statement; or, if notice has been given by posting, on or before the 20th day after the expiration of the period during which the notice was required to be posted. If no answer is filed within the specified time, the court

administrator, upon the filing of an affidavit of default, shall enter judgment for the state in the amount prayed for, plus costs of $10. If an answer is filed, the issues raised shall stand for trial as soon as possible after the filing of the answer, and the court shall determine the issues and direct judgment accordingly; and, if the taxes, interest, or penalties are sustained to any extent over the amount rendered by the taxpayer, shall assess $10 costs against the taxpayer. The court shall disregard all technicalities and matters of form not affecting the substantial merits. The commissioner may call upon the county attorney or the attorney general to conduct the proceedings on behalf of the state. If a proceeding is referred to a county attorney, and the county attorney fails to act on the matter within 30 days, the attorney general may conduct the proceeding. Execution shall be issued upon the judgment at the request of the commissioner, and the execution shall, in all other respects, be governed by the laws applicable to executions issued on judgments. Only the homestead and household goods of the judgment debtor shall be exempt from seizure and sale upon the execution.

Sec. 111. Minnesota Statutes 1988, section 272.38, subdivision 1, is amended to read:

Subdivision 1. [TAXES TO BE FIRST PAID.] No structures, standing timber, minerals, sand, gravel, peat, subsoil, or topsoil shall be removed from any tract of land until all the taxes assessed against such tract and due and payable shall have been fully paid and discharged. When the commissioner of finance or the county auditor has reason to believe that any such structure, timber, minerals, sand, gravel, peat, subsoil, or topsoil will be removed from such tract before such taxes shall have been paid, either may direct the county attorney or the attorney general to bring suit in the name of the state to enjoin any and all persons from removing such structure, timber, minerals, sand, gravel, peat, subsoil, or topsoil therefrom until such taxes are paid. No bond shall be required of plaintiff in such suit.

Sec. 112. Minnesota Statutes 1988, section 282.014, is amended to read:

282.014 [COMPLETION OF SALE AND CONVEYANCE.]

Upon compliance by the purchaser with the provisions of ~~sections 282.011 to 282.015~~ this chapter and with the terms and conditions of the sale, and upon full payment for the land, plus a ~~$20~~ $25 fee in addition to the sale price, the sale shall be complete and a conveyance of the land shall be issued to the purchaser as provided by the appropriate statutes according to the status of the land upon forfeiture.

The conveyance must be forwarded to the county recorder who

shall record the conveyance before the auditor issues it to the purchaser.

Sec. 113. Minnesota Statutes 1988, section 290A.19, is amended to read:

290A.19 [OWNER OR MANAGING AGENT TO FURNISH RENT CERTIFICATE; PENALTY.]

(a) The owner or managing agent of any property for which rent is paid for occupancy as a homestead shall furnish a certificate of rent constituting property tax to each person who is a renter on December 31, in the form prescribed by the commissioner. If the renter moves prior to December 31, the owner or managing agent has the option to either provide the certificate to the renter at the time of moving, or mail the certificate to the forwarding address if an address has been provided by the renter. The certificate shall be made available to the renter not later than January 31 of the year following the year in which the rent was paid. The owner or managing agent must retain a duplicate of each certificate for a period of three years. The duplicate must be made available to the commissioner or the renter if either requests a copy.

(b) Any owner or managing agent who willfully fails to furnish a certificate to the renter and the commissioner as required by this section is liable to the commissioner for a penalty of $100 for each act or failure to act. The penalty shall be assessed and collected in the manner provided in chapter 290 for the assessment and collection of income tax. If the owner or managing agent willfully furnishes certificates that report total rent constituting property taxes in excess of the amount of actual property taxes paid on the rented part of a property, as determined under this section, the owner or managing agent is liable for a penalty equal to the greater of (1) $100 or (2) 50 percent of the excess that is reported. If the owner or managing agent reports a total amount of rent constituting property taxes that exceeds by ten percent or more the actual property taxes, the report is deemed to be willful.

(c) If the owner or managing agent elects to provide the renter with the certificate at the time of moving, rather than after December 31, the amount of rent constituting property taxes shall be computed as follows:

(i) The net tax shall be reduced by 1/12 for each month remaining in the calendar year.

(ii) In calculating the denominator of the fraction pursuant to section 290A.03, subdivision 11, the gross rent paid through the last month of claimant's occupancy shall be substituted for "the gross rent paid for the calendar year for the property in which the unit is located."

(d) The certificate of rent constituting property taxes shall include the address of the property, including the county, and the property tax parcel identification number and any additional information which the commissioner determines is appropriate.

(e) If the owner or managing agent fails to provide the renter with a certificate of rent constituting property taxes, the commissioner shall allocate the net tax on the building to the unit on a square footage basis or other appropriate basis as the commissioner determines. The renter shall supply the commissioner with a statement from the county treasurer which gives the amount of property tax on the parcel, the address and property tax parcel identification number of the property, and the number of units in the building.

~~(f) The owner or managing agent must file a copy of the certificate of rent paid with the commissioner before April 15 of the year following the year in which the rent was paid. The commissioner may require that each owner or managing agent report on a single form the total property taxes for a property and the allocation of the property taxes as rent constituting property taxes among the renters of the property.~~

Sec. 114. Minnesota Statutes 1988, section 296.06, subdivision 2, is amended to read:

Subd. 2. [REQUIREMENTS FOR ISSUANCE.] A distributor's license shall be issued to any responsible person qualifying as a distributor who makes application therefor, and who shall pay to the commissioner at the time thereof and annually thereafter a license fee of ~~$10~~ $25, and who shall further comply with the following conditions:

(1) A written application shall be made in a manner approved by the commissioner, who shall require the applicant or licensee to deposit with the state treasurer securities of the United States government or the state of Minnesota or to execute and file a bond, with a corporate surety approved by the commissioner, to the state of Minnesota in an amount to be determined by the commissioner and in a form to be fixed by the commissioner and approved by the attorney general, and which shall be conditioned for the payment when due of all excise taxes, inspection fees, penalties, and accrued interest arising in the ordinary course of business or by reason of any delinquent money which may be due the state of Minnesota; the bond shall cover all places of business within the state where petroleum products are received by the licensee; and the applicant or licensee shall designate and maintain an agent in this state upon whom service may be had for all purposes of this section.

(2) An initial applicant for a distributor's license shall furnish a bond in a minimum sum of $3,000 for the first year;

(3) The commissioner, on reaching the opinion that the bond given by a licensee is inadequate in amount to fully protect the state, shall require an additional bond in such amount as the commissioner deems sufficient;

(4) A licensee who desires to be exempt from depositing securities or furnishing such bond, as hereinbefore provided shall furnish an itemized financial statement showing the assets and the liabilities of the applicant and if it shall appear to the commissioner, from the financial statement or otherwise, that the applicant is financially responsible, then the commissioner may exempt such applicant from depositing such securities or furnishing such bond until the commissioner otherwise orders.

(5) The premium on any bond required under clauses (1) and (2), and on any additional bond required under clause (3), shall be paid by the commissioner out of a bond premium fund required to be set up from an appropriation by the legislature from whatever funds are available. All of said bonds required during each license period shall be purchased by the commissioner of administration from the lowest responsible bidder after advertising for competitive bids in the manner prescribed by Laws 1939, chapter 431, article II, as amended. The commissioner of administration shall call for bids within a reasonable period prior to the commencement of license period.

(6) Each license period shall be for one year ending each June 30.

(7) Upon application to the commissioner and compliance by the applicant with the provisions of this subdivision, the commissioner also shall issue a distributor's license to (a) any person engaged in this state in the bulk storage of petroleum products and the distribution thereof by tank car or tank truck or both, and (b) any person holding an unrevoked license as a distributor since January 1, 1947, and (c) any person holding a license and performing a function under the motor fuel tax law of an adjoining state equivalent to that of a distributor under this act, who desires to ship or deliver petroleum products from that state to persons in this state not licensed as distributors in this state and who agrees to assume with respect to all petroleum products so shipped or delivered the liabilities of a distributor receiving petroleum products in this state, provided, however, that any such license shall be issued only for the purpose of permitting such person to receive in this state the petroleum products so shipped or delivered. Except as herein provided, all persons licensed as distributors under this clause shall have the same rights and privileges and be subject to the same duties, requirements and penalties as other licensed distributors.

Sec. 115. Minnesota Statutes 1988, section 296.12, subdivision 1, is amended to read:

Subdivision 1. [SPECIAL FUEL DEALERS' LICENSE REQUIREMENTS.] No person except a licensed distributor shall engage in the business of selling or delivering special fuel as a special fuel dealer without having applied for and secured from the commissioner a special fuel dealer's license. The application shall be made in a manner approved by the commissioner and shall be accompanied by the payment of ~~$10~~ $25, which shall be the license fee. A special fuel dealer's license shall be issued to any responsible person qualifying as a special fuel dealer who makes proper application therefor. The license shall be displayed in a conspicuous manner in the place of business and shall expire annually on November 30.

A special fuel dealer who discontinues, sells or disposes of the business in any manner, at any time, shall surrender the dealer's special fuel dealer's license at the commissioner's office in St. Paul, Minnesota.

Sec. 116. Minnesota Statutes 1988, section 296.12, subdivision 2, is amended to read:

Subd. 2. [BULK PURCHASERS' LICENSE REQUIREMENTS.] No person shall receive special fuel as a bulk purchaser without having applied for and secured from the commissioner a bulk purchaser's license. The application shall be made in a manner approved by the commissioner and shall be accompanied by the payment of ~~$10~~ $25, which shall be the license fee. A bulk purchaser's license shall be issued to any responsible person qualifying as a bulk purchaser who makes proper application therefor. The license shall be displayed in a conspicuous manner in the place of business and shall expire annually on November 30.

A bulk purchaser who discontinues, sells or disposes of the business in any manner, at any time, shall surrender the bulk purchaser's license at the commissioner's office in St. Paul, Minnesota.

Sec. 117. Minnesota Statutes 1988, section 296.17, subdivision 10, is amended to read:

Subd. 10. [LICENSE.] (a) No motor carrier may operate a commercial motor vehicle upon the highways of this state unless and until issued a license pursuant to this section or has obtained a trip permit or temporary authorization as provided in this section.

(b) A license shall be issued to any responsible person qualifying as a motor carrier who makes application therefor and who pays to the commissioner, at the time thereof, a license fee of ~~$20~~ $30. The license is valid for a period of up to two years or until revoked by the commissioner or until surrendered by the motor carrier. All outstanding licenses will expire on March 31 of each even-numbered

year beginning with 1984 and may be renewed upon application to the commissioner and payment of the ~~$20~~ $30 fee. The license, photocopy, or electrostatic copy of it, shall be carried in the cab of every commercial motor vehicle while it is being operated in Minnesota by a licensed motor carrier.

Sec. 118. Minnesota Statutes 1988, section 296.17, subdivision 17, is amended to read:

Subd. 17. [TRIP PERMITS AND TEMPORARY AUTHORIZATIONS.] (a) A motor carrier may obtain a trip permit which shall authorize an unlicensed motor carrier to operate a commercial motor vehicle in Minnesota for a period of five consecutive days beginning and ending on the dates specified on the face of the permit. The fee for the permit shall be ~~$15~~ $25. Fees for trip permits shall be in lieu of the road tax otherwise assessable against the motor carrier on account of the commercial motor vehicle operating therewith, and no reports of mileage shall be required with respect to the vehicle.

The above permit shall be issued in lieu of license if in the course of operations a motor carrier operates on Minnesota highways no more than three times in any one calendar year.

(b) Whenever the commissioner is satisfied that unforeseen or uncertain circumstances have arisen which requires a motor carrier to operate in this state a commercial motor vehicle for which neither a trip permit pursuant to clause (a) of this subdivision nor a license pursuant to subdivisions 7 to 22 has yet been obtained, and if the commissioner is satisfied that prohibition of that operation would cause undue hardship, the commissioner may provide the motor carrier with temporary authorization for the operation of the vehicle. A motor carrier receiving temporary authorization pursuant to this subdivision shall perfect the same either by obtaining a trip permit or a license, as the case may be, for the vehicle at the earliest practicable time.

Sec. 119. Minnesota Statutes 1988, section 297.04, subdivision 4, is amended to read:

Subd. 4. [DISTRIBUTOR'S APPLICATION; FEE; SUBJOBBER'S LICENSE.] ~~Each application for a distributor's license shall be accompanied by a fee of $300.~~ Each distributor shall pay a license fee of one cent for each carton of cigarettes stamped during the preceding calendar month to cover the department of revenue's cost of administering the cigarette tax law. The license fee shall be paid with the monthly return filed with the commissioner. For purposes of this subdivision, a carton of cigarettes means a unit of packaging for cigarettes as determined by applying industrywide standards. A separate application for license shall be made for each place of business at which a distributor proposes to engage in business as

such under sections 297.01 to 297.13, provided that a separate application for a subjobber's license may be made by a licensed distributor for each place of business (other than that licensed in the distributor's license) to which the distributor delivers and from which the distributor sells or distributes stamped cigarettes.

Each application for a subjobber's license shall be accompanied by a fee of $24.

~~A distributor or subjobber applying for a license during the second year of a two-year licensing period shall be required to pay only one-half of the license fee provided for herein.~~

Sec. 120. [297C.035] [LICENSE FEE.]

Subdivision 1. [LICENSE.] No person shall manufacture, import, or sell in this state distilled spirits or wine or sell or import fermented malt beverages without having received a license from the commissioner to engage in that business at that place of business.

Subd. 2. [APPLICATION.] Every application for such a license shall be made on a form prescribed by the commissioner and shall state:

(1) the name and address of the applicant; if the applicant is a firm, partnership, or association, the name and address of each of its members; if the applicant is a corporation, the name and address of each of its officers;

(2) the address of its principal place of business;

(3) the place where the business to be licensed is to be conducted;

(4) and such other information as the commissioner may require for the purpose of administering chapter 297C.

Subd. 3. [FEE.] Every person required to be licensed under subdivision 1 shall pay a fee of .002 cents on each liter of distilled spirits or wine manufactured, imported, or sold, and a fee of .002 cents for each barrel of fermented malt beverage sold or imported, to cover the costs of the department of revenue in administering the distilled spirits, wine, and fermented malt beverage taxes. The license fee must be paid with the monthly return filed with the commissioner.

Subd. 4. [ISSUANCE.] The commissioner, upon receipt of the application, and approval thereof, shall issue the applicant a license. The license shall permit the applicant to whom it is issued to engage in business at the place of business shown in the application.

Subd. 5. [EXPIRATION.] Each license issued shall expire on December 31 following its date of issue unless sooner revoked by the commissioner or unless the business with respect to which the license was issued is transferred. In either case the holder of the license shall immediately surrender it to the commissioner.

Subd. 6. [DISPLAY.] Each license shall be prominently displayed on the premises covered by the license.

Subd. 7. [TRANSFER.] No license shall be transferable to any other person.

Sec. 121. Minnesota Statutes 1988, section 326.37, is amended to read:

326.37 [PLUMBERS; SUPERVISION BY STATE COMMISSIONER OF HEALTH; RULES; VIOLATION; PENALTY.]

Subdivision 1. [MINIMUM STANDARDS.] The state commissioner of health may, by rule, prescribe minimum standards which shall be uniform, and which standards shall thereafter be effective for all new plumbing installations, including additions, extensions, alterations, and replacements connected with any water or sewage disposal system owned or operated by or for any municipality, institution, factory, office building, hotel, apartment building, or any other place of business regardless of location or the population of the city or town in which located. Violation of the rules shall be a misdemeanor.

Subd. 2. [STANDARDS FOR CAPACITY.] By January 1, 1991, all new and replacement floor-mounted water closets may not have a flush volume of more than 1.6 gallons. The water closets must meet the standards of the commissioner and the American National Standards Institute.

Subd. 3. [ADMINISTRATION.] The commissioner shall administer the provisions of sections 326.37 to 326.45 and for such purposes may employ plumbing inspectors and other assistants.

Sec. 122. Minnesota Statutes 1988, section 349.22, subdivision 2, is amended to read:

Subd. 2. [OTHER ACTION.] This section does not preclude civil or criminal actions under other applicable law or preclude any agency of government from investigating or prosecuting violations of the provisions of sections 349.11 to 349.214. County attorneys and the attorney general have ~~primary~~ joint responsibility for prosecuting violations of sections 349.11 to 349.214, ~~but~~ and the attorney general may prosecute any violation of those sections if, by 30 days

following a violation, the county attorney has failed to initiate prosecution.

Sec. 123. Minnesota Statutes 1988, section 349.36, is amended to read:

349.36 [DUTIES OF COUNTY ATTORNEY OR ATTORNEY GENERAL.]

The county attorney of the county in which the hearing is held or the attorney general shall attend the hearing, interrogate the witnesses, and advise the issuing authority. The county attorney or the attorney general shall also appear for the issuing authority on any appeal taken pursuant to the provisions of section 349.39.

Sec. 124. Minnesota Statutes 1989 Supplement, section 352.04, subdivision 2, is amended to read:

Subd. 2. [EMPLOYEE CONTRIBUTIONS.] The employee contribution to the fund must be equal to ~~4.34~~ 4.15 percent of salary, beginning with the first full pay period after June 30, ~~1989~~ 1990. These contributions must be made by deduction from salary as provided in subdivision 4.

Sec. 125. Minnesota Statutes 1989 Supplement, section 352.04, subdivision 3, is amended to read:

Subd. 3. [EMPLOYER CONTRIBUTIONS.] (a) The employer contribution to the fund must be equal to ~~4.51~~ 4.29 percent of salary beginning with the first full pay period after June 30, ~~1989~~ 1990, and continuing until the last full pay period before July 1, 1991.

(b) Beginning in January, 1991 and continuing in January of every succeeding odd-numbered year, the board of directors shall establish the amount of the employer contribution to be made for a two-year period beginning with the first full pay period after June 30 of the odd-numbered year. The board of directors shall establish the employer contribution at the level calculated in accordance with the most recent actuarial valuation as prescribed in section 3.85, after adjustments for changes in actuarial tables or assumptions, or enacted benefit improvements, as the amount required under existing statutory authorizations. In establishing any amended employer contribution, the board of directors shall disregard the first three-tenths of one percent by which the contribution rates in effect exceed the required contribution rate.

(c) This paragraph applies if the procedure specified in paragraph (b) would cause the employer contribution to be lower than the employee contribution established in subdivision 2. In this event, the employer contribution must first be lowered to equal the

employee contribution. Any further reductions in contributions must be divided evenly between the employer and employee contribution. If subsequent increases in contributions are required, the increases must be divided evenly between the employer and employee contributions, until the employee contribution equals 4.15 percent of salary. Any further required increases in contributions must be added only to the employer contribution.

Sec. 126. Minnesota Statutes 1988, section 352.92, subdivision 2, is amended to read:

Subd. 2. [EMPLOYER CONTRIBUTIONS.] (a) Beginning with the first full pay period after July 1, ~~1984~~ 1990, and continuing until the last full pay period before July 1, 1991, in lieu of employer contributions payable under section 352.04, subdivision 3, the employer shall contribute for covered correctional employees an amount equal to ~~8.70~~ 6.27 percent of salary.

(b) Beginning in January, 1991 and continuing in January of every succeeding odd-numbered year, the board of directors shall establish the amount of the employer contribution to be made for a two-year period beginning with the first full pay period after June 30 of the odd-numbered year. The board of directors shall establish the employer contribution at the level calculated in accordance with the most recent actuarial valuation, as prescribed in section 3.85, after adjustments for changes in actuarial tables or assumptions, or enacted benefit improvements, as the amount required under existing statutory authorizations. In establishing any amended employer contribution, the board of directors shall disregard the first three-tenths of one percent by which the contribution rates in effect exceed the required contribution rate.

(c) This paragraph applies if the procedure specified in paragraph (b) would cause the employer contribution to be lower than the employee contribution established in subdivision 1. In this event, the employer contribution must first be lowered to equal the employee contribution. Any further reductions in contributions must be divided evenly between the employer and employee contributions. If subsequent increases in contributions are required, the increases must be divided evenly between the employer and employee contributions, until the employee contribution equals 4.90 percent of salary. Any further required increases in contributions must be added only to the employer contribution.

Sec. 127. Minnesota Statutes 1988, section 352B.02, subdivision 1c, is amended to read:

Subd. 1c. [EMPLOYER CONTRIBUTIONS.] (a) In addition to member contributions, beginning with the first full pay period after June 30, 1990, and continuing until the last full pay period before July 1, 1991, department heads shall pay a sum equal to ~~18.9~~ 14.88

percent of the salary upon which deductions were made, which shall constitute the employer contribution to the fund. Department contributions must be paid out of money appropriated to departments for this purpose.

(b) Beginning in January, 1991 and continuing in January of every succeeding odd-numbered year, the board of directors shall establish the amount of the employer contribution to be made for a two-year period beginning with the first full pay period after June 30 of the odd-numbered year. The board of directors shall establish the employer contribution at the level calculated in accordance with the most recent actuarial valuation as prescribed in section 3.85, after adjustments for changes in actuarial tables or assumptions, or enacted benefit improvements, as the amount required under existing statutory authorizations. In establishing any amended employer contribution, the board of directors shall disregard the first three-tenths of one percent by which the contribution rates in effect exceed the required contribution rate.

(c) This paragraph applies if the procedure specified in paragraph (b) would cause the employer contribution to be lower than the employee contribution established in subdivision 1a. In this event, the employer contribution must first be lowered to equal the employee contribution. Any further reductions in contributions must be divided evenly between the employer and employee contribution. If subsequent increases in contributions are required, the increases must be divided evenly between the employer and employee contributions, until the employee contribution equals 8.5 percent of salary. Any further required increases in contributions must be added only to the employer contribution.

Sec. 128. Minnesota Statutes 1988, section 353D.01, subdivision 2, is amended to read:

Subd. 2. [COVERAGE.] Coverage under the retirement plan is open to basic and advanced life support emergency medical service personnel employed by or providing services for any public ambulance service or privately operated ambulance service that receives an operating subsidy from a governmental entity that elects to participate. ~~First response personnel and~~ Emergency medical service personnel who are currently covered by a public or private pension plan because of their employment or provision of services are not eligible to participate in the plan.

Sec. 129. Minnesota Statutes 1988, section 354.42, subdivision 5, is amended to read:

Subd. 5. [ADDITIONAL EMPLOYER CONTRIBUTION.] To amortize the unfunded actuarial accrued liability computed under the entry age actuarial cost method and disclosed under the annual actuarial valuations prepared by the commission-retained actuary

under section 356.215, effective July 1, 1990, an additional employer contribution shall be made in the amount of ~~4.48~~ 3.64 percent of the salary of each member. Beginning in January, 1991 and continuing in January of every odd-numbered year, the board of trustees shall establish the additional employer contribution rate for the two-year period beginning July 1 of that year. The board of trustees shall establish the required additional employer contribution at the level calculated in accordance with the most recent actuarial valuation as prescribed in section 3.85, after adjustments for changes in actuarial tables or assumptions, or enacted benefit improvements, as the amount required under existing statutory authorizations. In establishing the required additional employer contribution, the board of trustees shall disregard the first three-tenths of one percent by which the contribution rates in effect exceed the total required contribution rate.

This contribution shall be made in the manner provided in section 354.43.

Sec. 130. Minnesota Statutes 1989 Supplement, section 357.021, subdivision 2, is amended to read:

Subd. 2. [FEE AMOUNTS.] The fees to be charged and collected by the court administrator shall be as follows:

(1) In every civil action or proceeding in said court, the plaintiff, petitioner, or other moving party shall pay, when the first paper is filed for that party in said action, a fee of ~~$55, except that in an action for marriage dissolution, the fee is $75~~ $80.

The defendant or other adverse or intervening party, or any one or more of several defendants or other adverse or intervening parties appearing separately from the others, shall pay, when the first paper is filed for that party in said action, a fee of ~~$55, except that in an action for marriage dissolution, the fee for the respondent is $75~~ $80.

The party requesting a trial by jury shall pay $30.

The fees above stated shall be the full trial fee chargeable to said parties irrespective of whether trial be to the court alone, to the court and jury, or disposed of without trial, and shall include the entry of judgment in the action, but does not include copies or certified copies of any papers so filed or proceedings under sections 106A.005 to 106A.811, except the provisions therein as to appeals.

(2) Certified copy of any instrument from a civil or criminal proceeding $5, plus 25 cents per page after the first page and $3.50, plus 25 cents per page after the first page for an uncertified copy.

(3) Issuing a subpoena $3 for each name.

(4) Issuing an execution and filing the return thereof; issuing a writ of attachment, injunction, habeas corpus, mandamus, quo warranto, certiorari, or other writs not specifically mentioned, $5.

(5) Issuing a transcript of judgment, or for filing and docketing a transcript of judgment from another court, $5.

(6) Filing and entering a satisfaction of judgment, partial satisfaction or assignment of judgment, $5.

(7) Certificate as to existence or nonexistence of judgments docketed, $1 for each name certified to and $3 for each judgment certified to.

(8) Filing and indexing trade name; or recording notary commission; or recording basic science certificate; or recording certificate of physicians, osteopaths, chiropractors, veterinarians or optometrists, $5.

(9) For the filing of each partial, final, or annual account in all trusteeships, $10.

(10) All other services required by law for which no fee is provided such fee as compares favorably with those herein provided, or such as may be fixed by rule or order of the court.

Sec. 131. Minnesota Statutes 1989 Supplement, section 357.022, is amended to read:

357.022 [CONCILIATION COURT FEE.]

The court administrator in every county shall charge and collect a filing fee of ~~$10~~ $13 from every plaintiff and from every defendant when the first paper for that party is filed in any conciliation court action. The court administrator shall transmit the fees monthly to the state treasurer for deposit in the state treasury and credit to the general fund.

Sec. 132. Minnesota Statutes 1989 Supplement, section 357.08, is amended to read:

357.08 [PAID BY APPELLANT IN APPEAL.]

There shall be paid to the clerk of the appellate courts by the appellant, or moving party or person requiring the service, in all cases of appeal, certiorari, habeas corpus, mandamus, injunction, prohibition, or other original proceeding, when initially filed with the clerk of the appellate courts, the sum of ~~$150~~ $200 to the clerk

of the appellate courts. An additional filing fee of ~~$50~~ $100 shall be required for a petition for accelerated review by the supreme court. A filing fee of ~~$150~~ $200 shall be paid to the clerk of the appellate courts upon the filing of a petition for review from a decision of the court of appeals. A filing fee of ~~$150~~ $200 shall be paid to the clerk of the appellate courts upon the filing of a petition for permission to appeal. A filing fee of ~~$75~~ $100 shall be paid to the clerk of the appellate courts upon the filing by a respondent of a notice of review. The clerk shall transmit the fees to the state treasurer for deposit in the state treasury and credit to the general fund.

The clerk shall not file any paper, issue any writ or certificate, or perform any service enumerated herein, until the payment has been made for it. The clerk shall pay the sum into the state treasury as provided for by section 15A.01.

The charges provided for shall not apply to disbarment proceedings, nor to an action or proceeding by the state taken solely in the public interest, where the state is the appellant or moving party, nor to copies of the opinions of the court furnished by the clerk to the parties before judgment, or furnished to the district judge whose decision is under review, or to such law library associations in counties having a population exceeding 50,000, as the court may direct.

Sec. 133. Minnesota Statutes 1989 Supplement, section 363.073, subdivision 1, is amended to read:

Subdivision 1. [SCOPE OF APPLICATION.] No department or agency of the state shall accept any bid or proposal for a contract or agreement or execute any contract or agreement for goods or services in excess of ~~$50,000~~ $100,000 with any business having more than ~~20~~ 40 full-time employees at any time during the previous ~~12~~ 24 months, unless the firm or business has an affirmative action plan for the employment of minority persons, women, and the disabled that has been approved by the commissioner of human rights. Receipt of a certificate of compliance issued by the commissioner shall signify that a firm or business has an affirmative action plan that has been approved by the commissioner. A certificate shall be valid for a period of ~~two~~ four years. A municipality as defined in section 466.01, subdivision 1, that receives state money for any reason is encouraged to prepare and implement an affirmative action plan for the employment of minority persons, women, and the disabled and submit the plan to the commissioner of human rights.

Sec. 134. Minnesota Statutes 1988, section 363.073, is amended by adding a subdivision to read:

Subd. 5. [PROGRESS REPORTS.] A holder of a certificate of compliance issued under this section must only submit an annual progress report to the commissioner.

Sec. 135. [462A.075] [REVIEW OF GRANTS UNDER THE SMALL CITIES COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM.]

The commissioner of the Minnesota housing finance agency must review all housing related grant applications for the small cities community development block grant program under section 116J.401. The commissioner must consider whether the following goals are met in reviewing the projects for which the application for a grant has been made:

(1) the project furthers the housing needs of low and moderate income individuals and families;

(2) the project meets the mission and goals of the agency's most recent affordable housing plan;

(3) there is a demand in the community or surrounding area for the specific type of housing that is part of the project;

(4) the grant application does not directly duplicate any specific request for funding made to the agency;

(5) the project leverages private sources of funding or other public sources of funding;

(6) the proposed grant may be used to increase the viability of projects under consideration by the agency for funding from the housing development fund and housing trust fund; and

(7) the project conforms with an existing housing plan required under section 462C.03 if the application is from a local government unit that has adopted a housing plan.

Sec. 136. Minnesota Statutes 1989 Supplement, section 469.203, subdivision 4, is amended to read:

Subd. 4. [CITY APPROVAL OF PROGRAM.] (a) For the purposes of this subdivision, "city" means the cities of Minneapolis, St. Paul, and Duluth.

(b) Before adoption of a revitalization program under paragraph (c), the city must submit a preliminary program to the commissioner, the state planning agency, and the Minnesota housing finance agency for their comments. The city may not adopt the revitalization program until comments have been received from the state agencies or 30 days have elapsed without response after the program was sent to them. Comments received by the city from the state agencies within the 30-day period must be responded to in writing by the city before adoption of the program by the city.

(c) The city may adopt a revitalization program only after holding a public hearing after the program has been prepared. Notice of the hearing must be provided in a newspaper of general circulation in the city and in the most widely circulated community newspaper in the targeted neighborhoods not less than ten days nor more than 30 days before the date of the hearing.

(d) A certification by the city that a revitalization program has been approved by the city council for the targeted neighborhood must be provided to the commissioner together with a copy of the program. A copy of the program must also be provided to the Minnesota housing finance agency and the state planning agency.

(e) A revitalization program for the city may be modified at any time by the city council after a public hearing, notice of which is published in a newspaper of general circulation in the city and in the targeted neighborhood at least ten days nor more than 30 days before the date of the hearing. If the city council determines that the proposed modification is a significant modification to the program originally certified under paragraph (d), the city council shall implement the revitalization program approval and certification process of this subdivision for the proposed modification.

Sec. 137. Minnesota Statutes 1989 Supplement, section 469.205, is amended by adding a subdivision to read:

Subd. 4. [INELIGIBLE USES OF MONEY.] A city may not expend targeted neighborhood money for the provision of social services. Churches, religious organizations, and nonprofit organizations established by churches or religious organizations are not eligible to receive targeted neighborhood money.

Sec. 138. Minnesota Statutes 1989 Supplement, section 480.242, is amended to read:

480.242 [DISTRIBUTION OF FUNDS FOR CIVIL LEGAL ~~SERVICES FUNDS TO QUALIFIED~~ AND FAMILY FARM LEGAL SERVICES PROGRAMS.]

Subdivision 1. [ADVISORY COMMITTEE.] The supreme court shall establish an advisory committee to assist it in performing its responsibilities under sections 480.24 to 480.244. The advisory committee shall consist of 11 members appointed by the supreme court including seven attorneys-at-law who are well acquainted with the provision of legal services in civil matters, two public members who are not attorneys and two persons who would qualify as eligible clients. Four of the attorney-at-law members shall be nominated by the state bar association in the manner determined by it, and three of the attorney-at-law members shall be nominated by the programs in Minnesota providing legal services in civil matters on July 1, 1982, with funds provided by the federal Legal Services Corporation

in the manner determined by them. In making the appointments of the attorney-at-law members, the supreme court shall not be bound by the nominations prescribed by this section. In making appointments to the advisory committee, the supreme court shall ensure that urban and rural areas of the state are represented. The supreme court shall adopt by rule policies and procedures for the operation of the advisory committee including, but not limited to, policies and procedures governing membership terms, removal of members, and the filling of membership vacancies.

Subd. 2. [REVIEW OF APPLICATIONS; SELECTION OF RECIPIENTS.] (a) At times and in accordance with any procedures as the supreme court adopts in the form of court rules, applications for the expenditure of civil legal services funds shall be accepted from qualified legal services programs or from local government agencies and nonprofit organizations seeking to establish qualified alternative dispute resolution programs. The applications shall be reviewed by the advisory committee, and the advisory committee, subject to review by the supreme court, shall distribute the funds received pursuant to section 480.241, subdivision 2, to qualified legal services programs or to qualified alternative dispute resolution programs submitting applications. ~~Subject to the provisions of subdivision 4,~~ The funds shall be distributed in accordance with the following formula:

~~(a)~~ (1) Eighty-five percent of the funds distributed shall be distributed to qualified legal services programs that have demonstrated an ability as of July 1, 1982, to provide legal services to persons unable to afford private counsel with funds provided by the federal Legal Services Corporation. The allocation of funds among the programs selected shall be based upon the number of persons with incomes below the poverty level established by the United States Census Bureau who reside in the geographical area served by each program, as determined by the supreme court on the basis of the ~~1980~~ most recent national census. All funds distributed pursuant to this clause shall be used for the provision of legal services in civil and farm legal assistance matters to eligible clients.

~~(b)~~ (2) Fifteen percent of the funds distributed may be distributed ~~(1)~~ (i) to other qualified legal services programs for the provision of legal services in civil matters to eligible clients, including programs which organize members of the private bar to perform services and programs for qualified alternative dispute resolution, or ~~(2)~~ (ii) to programs for training mediators operated by nonprofit alternative dispute resolution corporations. ~~Grants may be made pursuant to this clause only until June 30, 1987.~~, or (iii) to provide family farm legal assistance for financially distressed state farmers. The family farm legal assistance must be directed at farm financial problems including, but not limited to, bankruptcy, discharge of debt, general debtor-creditor relations, and tax considerations. If all the funds to be distributed pursuant to this clause cannot be distributed because

of insufficient acceptable applications, the remaining funds shall be distributed pursuant to clause ~~(a)~~ (1).

(b) A person is eligible for legal assistance if the person is an eligible client as defined in section 480.24, subdivision 2, or:

(1) is a state resident;

(2) is or has been a farmer, or a family shareholder of a family farm corporation within the preceding 24 months;

(3) has a debt-to-asset ratio greater than 50 percent;

(4) has a reportable federal adjusted gross income of $15,000 or less in the previous tax year; and

(5) is financially unable to retain legal representation.

(c) Qualifying farmers and small business operators whose bank loans are held by the Federal Deposit Insurance Corporation are eligible for legal assistance under this section.

Subd. 3. [TIMING OF DISTRIBUTION OF FUNDS.] The funds to be distributed to recipients ~~selected in accordance with the provisions of subdivision 2~~ shall be distributed by the supreme court no less than twice per calendar year.

Subd. 5. [DISTRIBUTION OF FUNDS; LIMITATIONS.] (a) None of the funds distributed to recipients selected in under this section may be used for activities promoting nonjudicial changes in the law. Actions precluded include:

(1) appearance before legislative or administrative rulemaking bodies for the purpose of promoting changes in existing law, unless the appearance is requested by a member of that body; and

(2) preparation or assisting in the preparation of written statements promoting changes in existing law intended to be entered into the record of a legislative or rulemaking procedure.

(b) The preceding restrictions limit only those activities for which contract funding is received and in no way limit the activities of any attorney acting in a pro bono capacity.

Subd. 6. [REQUIREMENTS.] Family farmer legal assistance shall provide:

(1) legal backup and research support to attorneys throughout the state who represent financially distressed farmers;

(2) direct legal advice and representation to eligible farmers in the most effective and efficient manner, giving special emphasis to enforcement of legal rights affecting large numbers of farmers;

(3) an incoming, statewide, toll-free telephone line to provide the advice and referral requirements in this subdivision; and

(4) legal services to eligible persons whose bank loans are held by the Federal Deposit Insurance Corporation.

Subd. 7. [TERMINATION.] A contract under this section may be terminated by the supreme court, or denied for renewal, upon reasonable written notice and good cause shown. A contract under this section must be terminated if funds are used in a manner inconsistent with subdivision 5.

Subd. 8. [ANNUAL REPORT.] A legal assistance provider shall submit a report to the supreme court and the house appropriations and senate finance committees by January 15 of each odd-numbered year. The report must describe the activities and expenses under the contract during the previous calendar year and a summary of additional legal representation needed by distressed family farmers.

Sec. 139. Minnesota Statutes 1988, section 480A.01, subdivision 3, is amended to read:

Subd. 3. [ESTABLISHING NUMBER OF JUDGES.] By January 15, 1985, the state court administrator shall certify to the governor, the president of the senate, and the speaker of the house of representatives, the number of appeals filed in the court of appeals in 1984. By January 15~~, 1987, and every two years thereafter~~ of the odd year, the state court administrator shall certify to the governor, the president of the senate, and the speaker of the house of representatives the average number of appeals filed in the court of appeals in each of the preceding two calendar years. ~~Effective on the following July 1, the normal number of judges of the court of appeals shall be one judge for every 100 cases in that average. If this normal number increases the number of judges, new judges shall be appointed on or after July 1. If this normal number decreases the number of judges, the incumbent judges shall nevertheless continue to serve and to be eligible for reelection, but the first vacancies arising in at-large seats on the court shall not be filled, until the normal number of judges is reached.~~

Sec. 140. Minnesota Statutes 1988, section 481.14, is amended to read:

481.14 [REFUSAL TO SURRENDER PROPERTY TO CLIENTS.]

When an attorney shall refuse to deliver money or papers to a

person from or for whom the attorney has received them in the course of professional employment, the attorney may be required to do so, upon petition, by an order of court. Such order may be granted by the court in which the action was prosecuted, or, if no action was prosecuted, by the district court of the county where the attorney resides, or by the supreme court, and may require the attorney to make delivery within a time specified, or show cause why the attorney should not be punished for contempt. In the event an attorney shall retain money of a client under a claim of right, including a claim for fees and expenses, the court shall determine the amount, if any, due such attorney, and shall order that any surplus amount remaining after deduction thereof be surrendered to the client. However, notwithstanding any other law, outside counsel retained by the attorney general to try a lawsuit brought by the state may not withhold from the state under a claim for fees money received in settlement of the lawsuit.

Sec. 141. Minnesota Statutes 1989 Supplement, section 611.215, is amended by adding a subdivision to read:

Subd. 5. [PROHIBITION.] The legal assistance to Minnesota prisoners division of the public defender's office shall serve the civil legal needs of persons confined to state institutions. State funds may not be used to pay for lawsuits against public agencies or public officials to change social or public policy.

Sec. 142. Laws 1987, chapter 404, section 192, subdivision 2, is amended to read:

Subd. 2. (a) The additional judgeships authorized for judicial districts in section 59 are established as follows:

(1) one judgeship in the first judicial district, three judgeships in the fourth judicial district, and one judgeship in the tenth judicial district are effective on July 1, 1987;

(2) one judgeship in the first judicial district, three judgeships in the fourth judicial district, and one judgeship in the tenth judicial district are effective on July 1, 1988;

(3) one judgeship in the sixth judicial district is effective on January 1, 1989, and one judicial officer position in the sixth judicial district is terminated upon the appointment of a judge to fill this judgeship; and

(4) one judgeship in the first judicial district, three judgeships in the fourth judicial district, one judgeship in the seventh judicial district, and one judgeship in the tenth judicial district are effective on July 1, 1989, if an appropriation is made; ~~and~~.

~~(5) one judgeship in the first judicial district, two judgeships in the fourth judicial district, and one judgeship in the tenth judicial district is effective on July 1, 1990, if an appropriation is made.~~

(b) Section 180 is effective on July 1, 1987.

Sec. 143. Laws 1988, chapter 686, article 1, section 52, is amended to read:

Sec. 52. [OPERATION.]

Hill-Annex Mine state park must be funded by the iron range resources and rehabilitation board at the level of $200,000 per year until July 1, ~~1991~~ 1993. The commissioner of natural resources must report to the legislature by January 1, 1990, regarding the revenues, visitation, and operating costs for the park, and making recommendations on continuing operational requirements.

Sec. 144. Laws 1989, chapter 335, article 1, section 4, is amended to read:

Sec. 4. COURT OF APPEALS	4,285,000	4,519,000
$235,000 the first year and ~~$588,000~~ $235,000 the second year are for costs related to ~~three~~ one new ~~judges,~~ judge to be added July 1, 1989, ~~July 1, 1990, and December 1, 1990~~.		

Sec. 145. Laws 1989, chapter 335, article 1, section 36, is amended to read:

Sec. 36. HUMAN RIGHTS	2,902,000	2,902,000
Approved Complement – 69.5		
General – 68		
Federal – 1.5		
~~$140,000 the first year is a one-time appropriation for development of an information system, and is available either year of the biennium.~~		

Sec. 146. Laws 1989, chapter 335, article 1, section 42, subdivision 2, is amended to read:

Subd. 2. Increases Covered

The compensation and economic benefit increases covered by this section are those paid to classified and unclassified employees and officers in the executive, judicial, and legislative branches of state government, and to employees of the Minnesota Historical Society who are paid from state appropriations, if the increases are required by existing law or authorized by law during the 1989 session of the legislature or by appropriate resolutions for employees of the legislature, or are given interim approval by the legislative commission on employee relations under Minnesota Statutes, sections 3.855 and 43A.18 or 179A.22, subdivision 4.

The commissioner of finance shall transfer to the appropriations for agencies in the legislative and judicial branches and for the constitutional officers the amounts certified as necessary for each agency by its chief financial officer. For the purposes of this paragraph, the secretary of the senate is the chief financial officer for the senate, the chair of the legislative coordinating commission for legislative commissions, the chief justice of the supreme court for agencies in the judicial branch, and the elected constitutional officer for each constitutional office.

~~Within the provisions of the managerial plan approved under Minnesota Statutes, section 43A.18, an agency may not authorize aggregate increases for its managers that exceed an average of five percent in each year of the biennium ending June 30, 1991. A salary increase given in a lump sum is included within this limit. If an agency has fewer than three managers, it may exceed this average by one percent.~~

~~The metropolitan council or a metropolitan commission or board may not authorize aggregate performance increases for its managers that exceed an~~

~~average of five percent in each year of the biennium ending June 30, 1991. A salary increase given in a lump sum is included within this limit. If an agency has fewer than three managers, it may exceed this average by one percent.~~

The commissioner of employee relations shall study the compensation levels of managers, officials, and administrators of the state, cities, counties, towns, school districts, metropolitan and regional agencies, and retirement funds, and the increases granted them during the period from January 1, 1985, to January 1, 1990, and shall report to the legislature by January 1, 1991, on how to establish appropriate compensation levels and how to impose appropriate controls on aggregate compensation increases. The term "managers, officials, and administrators" means employees reported in those classes as reported by the employer to the Equal Employment Opportunity Commission, but does not include any employees who are represented for the purposes of collective bargaining by an exclusive representative under Minnesota Statutes, chapter 179A.

Sec. 147. Laws 1989, First Special Session chapter 1, article 24, section 2, is amended to read:

Sec. 2. [COUNTY BLOCK GRANTS.]

Subdivision 1. [GENERAL FUND APPROPRIATION.] $22,281,000 is appropriated from the general fund to the office of waste management for distribution as provided in article 19, section 1, subdivisions 1 to 3, except as otherwise provided in this section. $6,731,000 is appropriated for fiscal year 1990 and ~~$15,550,000~~ $14,316,000 is appropriated for fiscal year 1991. Any unencumbered balance remaining in the first year does not cancel and is available for the second year.

Subd. 2. [DISTRIBUTION.] The distribution for fiscal year 1990 is subject to a minimum payment to each county of $27,500 rather than ~~$55,000~~ $50,000 under article 19, section 1, subdivision 1. The distribution for fiscal year 1991 shall be in two payments with the second payment made after November 1, 1990.

Subd. 3. [REDUCTION FOR DEFICIENT REVENUES.] If the amount of revenue estimated by the commissioner of revenue and reported to the office of waste management under article 19, section 8, is less than $29,968,000, 75 percent of the difference between the amount estimated and $29,968,000 must be subtracted from the appropriation in subdivision 1, and the distribution to be made after November 1, 1990, must be reduced by the same amount.

Subd. 4. [ADDITIONAL GRANTS WITH EXCESS REVENUES.] (a) If the amount of revenue estimated by the commissioner of revenue and reported to the office of waste management under article 19, section 8, is greater than $29,968,000, 75 percent of the difference between the amount estimated and $29,968,000 is appropriated to the office of waste management to be distributed ~~to counties after November 1, 1990, as provided in this subdivision and is subject to article 19, section 1, subdivisions 2 and 3. No more than $5,000,000 shall be appropriated for distribution to counties under this subdivision~~ through the solid waste management projects grants programs under Minnesota Statutes, section 115A.54.

(b) Notwithstanding article 19, section 1, subdivision 1, the appropriation in this subdivision must be distributed to counties to provide that in fiscal years 1990 and 1991 each county receives at least 50 percent of the revenue generated in that county by the tax on solid waste collection and disposal services imposed in article 19. The office of waste management shall distribute the appropriation so that the county or counties receiving the smallest percentage of grant received to revenue generated is increased to the percentage of the county or counties with the next smallest percentage of grant received to revenue generated until the appropriation is spent or each county has received a grant of at least 50 percent of the revenue generated in the county. Any remainder must be distributed among all counties in proportion to their population. For purposes of this paragraph, the commissioner of revenue must estimate the amount of revenue generated in each county.

(c) A county that participates in a multicounty district that manages solid waste must pass through money to the district in proportion to the district's population.

Sec. 148. [TREE AND PERENNIAL SHRUBS AND VINES PLANTING FOR CARBON DIOXIDE ABSORPTION.]

By January 1, 1991, the commissioner of natural resources and the commissioner of the pollution control agency, in consultation with representatives of industry that may be affected by a surcharge on carbon dioxide emissions, and representatives of the forestry and environmental communities, shall prepare a report on the use of a surcharge on carbon dioxide emissions. The report shall:

(1) suggest an appropriate fee on sources of carbon dioxide

emissions, including motor vehicle and permitted facilities in the air emission inventory of the pollution control agency;

(2) recommend methods of encouraging tree and perennial shrubs and vines planting to be implemented in lieu of payment of part or all of a surcharge; and

(3) include a planting plan for carbon dioxide absorption that identifies the proper mix of species for adequate absorption, the proper placement of trees for energy efficiency and conservation, the areas of the state most effective for proper tree planting, the adequate production of state nursery stock, the available procurement of private nursery stock, a range of costs to plant adequate species that absorb carbon dioxide, and the current and prospective distribution system to allow adequate species to be planted.

The commissioners of the pollution control agency and the department of natural resources shall have authority to solicit and accept funds from nonstate sources to accomplish the responsibilities in this section.

Sec. 149. [SUPERBOWL COSTS; SPORTS FACILITIES COMMISSION.]

The metropolitan sports facilities commission shall appropriate and use $1,500,000 to pay for the state and commission share of the cost of providing services and facilities required by an agreement or other arrangement with the National Football League in connection with hosting the 1992 league championship game.

The commission shall appropriate the funds for this purpose from either its operating or operating reserve account during its 1991 budget year. The metropolitan council and the commission may not require the imposition of a tax or an increase in the rate of a tax imposed under section 473.592 for this purpose.

Sec. 150. [INCREASE IN FEES FOR LICENSES AND PERMITS FOR UTILITIES.]

Effective July 1, 1990, the fees in Minnesota Rules, parts 6135.0400 to 6135.0800, adopted pursuant to Minnesota Statutes, section 84.415, subdivisions 1 and 5, are to be increased to an amount equal to the original fee schedule escalated due to inflation from the date the original fee schedule was adopted to July 1, 1990. The basis of escalation shall be the wholesale price index for all commodities. Notwithstanding the rulemaking requirements of section 84.415, subdivision 1, the revised rates shall be published in the State Register prior to becoming effective.

Sec. 151. [OPTICAL DISK DEMONSTRATION PROJECT; DAKOTA AND OLMSTED COUNTIES.]

Subdivision 1. [DEMONSTRATION PROJECT.] A demonstration project to authorize storage of official records by an optical disk imaging system is created in Dakota and Olmsted counties. The public records officers required under Minnesota Statutes, section 15.17, subdivision 1, to make and keep local public records in Dakota and Olmsted counties may maintain and reproduce public records of those counties by using an optical disk imaging system.

Subd. 2. [EXEMPTION.] Local public records of Dakota and Olmsted counties are not subject to the disposition and orders of the records disposition panel under Minnesota Statutes, sections 138.161 to 138.226 or the records management program established under Minnesota Statutes, section 138.17, subdivision 7. The Minnesota historical society may maintain and keep Dakota and Olmsted counties' local public records but may not require Dakota or Olmsted counties to maintain and keep records at the expense of either of those counties.

Subd. 3. [REPORT TO LEGISLATURE.] The public records officers of Dakota and Olmsted counties shall prepare a report on the outcome of the optical disk demonstration project and present it to the commissioner of administration and the chairs of the house and senate governmental operations committees by January 1, 1993. In the report, the public records officer of each county shall include information on the effectiveness of the optical disk imaging system for accurate and economical preservation of official records and shall issue recommendations on whether the optical disk record-keeping technology should be extended to other counties.

Sec. 152. [PRIVATE SALE OF LANDS; FILLMORE COUNTY.]

(a) Notwithstanding Minnesota Statutes, section 92.45, and any public sale and appraisal provisions of law to the contrary, the commissioner of natural resources shall convey by private sale lands bordering public waters and described in paragraph (c), including improvements, for a consideration of $25,000 to the Southeastern Minnesota Forest Resource Center, a nonprofit private corporation providing educational and demonstration forest management programs for private landowners and others.

(b) The conveyance must incorporate the condition expressed in paragraph (d) and other conditions and reservations required by law to convey state lands, provide an adequate legal description, and be in a form approved by the attorney general.

(c) The lands to be sold consist of approximately 13 acres in Fillmore county, generally described as: the South Half of the Northeast Quarter of the Southwest Quarter of the Southwest

Quarter, containing five acres more or less, and the Southeast Quarter of the Southeast Quarter of the Southwest Quarter, except approximately the easterly 300 feet following the bluffline, containing eight acres more or less, to be determined by survey, all in Section 35, Township 104, Range 10.

(d) The land with all buildings and improvements shall revert to the state of Minnesota if the Southeastern Minnesota Forest Resource Center is dissolved, or their education and demonstration role is discontinued.

Sec. 153. [INVESTMENT EARNINGS.]

Notwithstanding any law to the contrary, the department of finance shall credit investment earnings only to those funds and accounts that are directly appropriated. Investment earnings from all other funds and accounts with open appropriation authority will be credited to the general fund.

Sec. 154. [EXEMPTION.]

Gift funds, trust funds, funds receiving bond proceeds, insurance funds, and funds where the federal government requires that investment earnings be credited to the fund or account are exempt from section 153.

Sec. 155. [SUCCESSOR.]

The commissioner of trade and economic development is the legal successor in all respects of the rural development board established under Minnesota Statutes, section 116N.02. The contracts, liabilities, and other obligations of the rural development board are the contracts, liabilities, and obligations of the commissioner of trade and economic development.

Sec. 156. [CANCELLATION OF APPROPRIATIONS.]

The following appropriations are canceled:

(1) the $50,000 made available for the second year of the biennium for a special account for unanticipated legal expenses of the attorney general in Laws 1989, chapter 335, article 1, section 12, subdivision 7;

(2) $30,000 the first year and $30,000 the second year made available from the wild rice account for a cooperative agreement with the Cuyuna Development Corporation for an economic development project on wild rice and grains to be accomplished in consultation with Aitkin Growth, Inc., in Laws 1989, chapter 335,

article 1, section 21, subdivision 7 and is reappropriated to the commissioner for wild rice management in public waters;

(3) $50,000 the first year and $50,000 the second year made available for a grant to Aitkin Growth, Inc., for the development of projects for added value to wild rice and other grains, in Laws 1989, chapter 335, article 1, section 21, subdivision 7.

Sec. 157. [TRANSFER PROVISIONS.]

Notwithstanding Minnesota Statutes, section 256.4825, the first executive director of the office on disability and developmental disability shall be the executive director of the council on developmental disabilities. The positions and the incumbents from the council on developmental disabilities, the council on technology for people with disabilities and the council on disability are hereby transferred to the unclassified service and to the office on disabilities and developmental disabilities.

Sec. 158. [LIABILITY FOR GENERAL OBLIGATION BONDS.]

Nothing in Laws 1989, chapter 335, article 1, section 25, subdivision 6, may be construed to impose liability on the state for an obligation incurred by a unit of government issuing general obligation bonds under that subdivision. The state is not liable for an obligation beyond direct appropriations made through the regular biennial budget process.

Sec. 159. [INSTRUCTION TO REVISOR.]

(a) In the next publication of Minnesota Statutes or its Supplement, the revisor shall replace the reference in Minnesota Statutes, section 176.137, subdivision 4, to "council on disability" with "office on disability and developmental disability" and shall replace the reference to "section 256.482, subdivision 5, clause (7)" with "section 256.4825, subdivision 5, clause (7)."

(b) In the next publication of Minnesota Statutes, the revisor shall amend the following headnote as indicated:

116J.971 [~~COMMITTEE ON~~ POLICY ANALYSIS AND SCIENCE AND TECHNOLOGY ~~RESEARCH AND DEVELOPMENT~~ DIVISION.]

(c) In the next edition of Minnesota Statutes, the revisor of statutes shall change "ethical practices" to "campaign reporting" where it means ethical practices board.

Sec. 160. [REPEALER.]

Minnesota Statutes 1988, sections 3C.056; 116J.971, subdivisions 1, 2, 4, 5, and 10; 116N.01; 116N.02, as amended; 116N.03; 116N.04; 116N.05; 116N.06; 116N.07; 116N.08, as amended; 184.34; 256.481; and 256.482, as amended; 480.252; and 480.254; Minnesota Statutes 1989 Supplement, sections 3C.035, subdivision 2; 8.15; 97B.301, subdivision 5; 116J.970; 116J.971, subdivisions 3 and 9; 116O.03, subdivision 2a; 469.203, subdivision 5; 480.241; and 480.256; Minnesota Statutes Second 1989 Supplement, section 3.885, subdivision 1a; Laws 1988, chapter 686, article 1, section 3, paragraph (c); and Laws 1989, chapter 303, section 10, are repealed. Section 480.242, subdivision 4, as amended by Laws 1989, chapter 335, article 1, section 255, if in effect, is repealed effective the day following final enactment.

Sec. 161. [RULES REPEALER.]

Minnesota Rules, part 4410.3800, subparts 1 and 3, are repealed.

Sec. 162. [EFFECTIVE DATE.]

Section 47 is effective the day after final enactment and is retroactive to January 1, 1990.

Sections 74, 77, and 78 are effective January 1, 1990.

Sections 16, subdivision 2, paragraph (b), 68, 72, 79, 80, 84, 137, and 156 are effective the day after final enactment.

Section 112 is effective for deeds issued on or after July 1, 1990.

Section 113 is effective for rent paid in 1990 and thereafter.

Sections 114, 115, 116, and 117 are effective for license applications filed on or after July 1, 1990.

Section 118 is effective for permit applications filed on or after July 1, 1990.

Section 138 is effective July 1, 1991.

ARTICLE 2

JUDICIAL SYSTEM

Section 1. Minnesota Statutes 1989 Supplement, section 43A.02, subdivision 25, is amended to read:

Subd. 25. [JUDICIAL BRANCH.] "Judicial branch" means all judges of the appellate courts, all employees of the appellate courts,

including commissions, boards and committees established by the supreme court, the board of law examiners, the law library, the office of the public defender, all judges of all courts of law, district court referees, judicial officers, court reporters, law clerks, district administration employees under section 484.68, court administrator or employee of the court and guardian ad litem program employees in the eighth judicial district, and other agencies placed in the judicial branch by law. Judicial branch does not include district administration employees in the second and fourth judicial districts, court administrators or their staff under chapter 485, guardians ad litem, or other employees within the court system whose salaries are paid by the county, other than employees who remain on the county payroll under section 480.181, subdivision 2.

Sec. 2. Minnesota Statutes 1989 Supplement, section 43A.24, subdivision 2, is amended to read:

Subd. 2. [OTHER ELIGIBLE PERSONS.] The following persons are eligible for state paid life insurance and hospital, medical, and dental benefits as determined in applicable collective bargaining agreements or by the commissioner or by plans pursuant to section 43A.18, subdivision 6, or by the board of regents for employees of the University of Minnesota not covered by collective bargaining agreements. Coverages made available, including optional coverages, are as contained in the plan established pursuant to section 43A.18, subdivision 2.

(a) a member of the state legislature, provided that changes in benefits resulting in increased costs to the state shall not be effective until expiration of the term of the members of the existing house of representatives. An eligible member of the state legislature may decline to be enrolled for state paid coverages by filing a written waiver with the commissioner. The waiver shall not prohibit the member from enrolling the member or dependents for optional coverages, without cost to the state, as provided for in section 43A.26. A member of the state legislature who returns from a leave of absence to a position previously occupied in the civil service shall be eligible to receive the life insurance and hospital, medical, and dental benefits to which the position is entitled;

(b) a permanent employee of the legislature or a permanent employee of a permanent study or interim committee or commission or a state employee on leave of absence to work for the legislature, during a regular or special legislative session;

(c) a judge of the appellate courts or an officer or employee of these courts; a judge of the district court, a judge of county court, a judge of county municipal court, or a judge of probate court; a district court referee, judicial officer, court reporter, or law clerk; a district administrator; ~~and~~ an employee of the office of the district administrator that is not in the second or fourth judicial district; a court

administrator or employee of the court administrator in the eighth judicial district, and a guardian ad litem program administrator in the eighth judicial district;

(d) a salaried employee of the public employees retirement association;

(e) a full-time military or civilian officer or employee in the unclassified service of the department of military affairs whose salary is paid from state funds;

(f) a salaried employee of the Minnesota historical society, whether paid from state funds or otherwise, who is not a member of the governing board;

(g) an employee of the regents of the University of Minnesota;

(h) notwithstanding section 43A.27, subdivision 3, an employee of the state of Minnesota or the regents of the University of Minnesota who is at least 60 and not yet 65 years of age on July 1, 1982, who is otherwise eligible for employee and dependent insurance and benefits pursuant to section 43A.18 or other law, who has at least 20 years of service and retires, earlier than required, within 60 days of March 23, 1982; or an employee who is at least 60 and not yet 65 years of age on July 1, 1982, who has at least 20 years of state service and retires, earlier than required, from employment at Rochester state hospital after July 1, 1981; or an employee who is at least 55 and not yet 65 years of age on July 1, 1982, and is covered by the Minnesota state retirement system correctional employee retirement plan or the state patrol retirement fund, who has at least 20 years of state service and retires, earlier than required, within 60 days of March 23, 1982. For purposes of this clause, a person retires when the person terminates active employment in state or University of Minnesota service and applies for a retirement annuity. Eligibility shall cease when the retired employee attains the age of 65, or when the employee chooses not to receive the annuity that the employee has applied for. The retired employee shall be eligible for coverages to which the employee was entitled at the time of retirement, subject to any changes in coverage through collective bargaining or plans established pursuant to section 43A.18, for employees in positions equivalent to that from which retired, provided that the retired employee shall not be eligible for state-paid life insurance. Coverages shall be coordinated with relevant health insurance benefits provided through the federally sponsored Medicare program; and

(i) An employee of an agency of the state of Minnesota identified through the process provided in this paragraph who is eligible to retire prior to age 65. The commissioner and the exclusive representative of state employees shall enter into agreements under section 179A.22 to identify employees whose positions are in programs that

are being permanently eliminated or reduced due to federal or state policies or practices. Failure to reach agreement identifying these employees is not subject to impasse procedures provided in chapter 179A. The commissioner must prepare a plan identifying eligible employees not covered by a collective bargaining agreement in accordance with the process outlined in section 43A.18, subdivisions 2 and 3. For purposes of this paragraph, a person retires when the person terminates active employment in state service and applies for a retirement annuity. Eligibility ends as provided in the agreement or plan, but must cease at the end of the month in which the retired employee chooses not to receive an annuity, or the employee is eligible for employer-paid health insurance from a new employer. The retired employees shall be eligible for coverages to which they were entitled at the time of retirement, subject to any changes in coverage through collective bargaining or plans established under section 43A.18 for employees in positions equivalent to that from which they retired, provided that the retired employees shall not be eligible for state-paid life insurance.

Sec. 3. Minnesota Statutes 1988, section 97A.065, subdivision 2, is amended to read:

Subd. 2. [FINES AND FORFEITED BAIL.] (a) Fines and forfeited bail collected from prosecutions of violations of the game and fish laws, sections 84.09 to 84.15, and 84.81 to 84.88, chapter 348, and any other law relating to wild animals, and aquatic vegetation must be paid to the treasurer of the county where the violation is prosecuted. The county treasurer shall submit one-half of the receipts to the commissioner and credit the balance to the county general revenue fund except as provided in paragraphs (b) ~~and~~, (c), and (d).

(b) The commissioner must reimburse a county, from the game and fish fund, for the cost of keeping prisoners prosecuted for violations under this section if the county board, by resolution, directs: (1) the county treasurer to submit all fines and forfeited bail to the commissioner; and (2) the county auditor to certify and submit monthly itemized statements to the commissioner.

(c) The county treasurer shall indicate the amount of the receipts that are assessments or surcharges imposed under section 609.101 and shall submit all of those receipts to the commissioner. The receipts must be credited to the game and fish fund to provide peace officer training for persons employed by the commissioner who are licensed under section 626.84, subdivision 1, clause (c), and who possess peace officer authority for the purpose of enforcing game and fish laws.

(d) Paragraphs (a) and (c) do not apply in the eighth judicial district, which is governed by chapter 484A.

Sec. 4. Minnesota Statutes 1988, section 299D.03, subdivision 5, is amended to read:

Subd. 5. [FINES AND FORFEITED BAIL MONEY.] (a) All fines and forfeited bail money, from traffic and motor vehicle law violations, collected from persons apprehended or arrested by officers of the state patrol, shall be paid by the person or officer collecting the fines, forfeited bail money or installments thereof, ~~on or~~ before the tenth day after the last day of the month in which these moneys were collected, to the county treasurer of the county where the violation occurred. Three-eighths of these receipts shall be credited to the general revenue fund of the county. The other five-eighths of these receipts shall be transmitted by that officer to the state treasurer and shall be credited to the trunk highway fund. If, however, the violation occurs within a municipality and the city attorney prosecutes the offense, and a plea of not guilty is entered, one-third of the receipts shall be credited to the general revenue fund of the county, one-third of the receipts shall be paid to the municipality prosecuting the offense, and one-third shall be transmitted to the state treasurer as provided in this subdivision. All costs of participation in a nationwide police communication system chargeable to the state of Minnesota shall be paid from appropriations for that purpose.

(b) Notwithstanding any other provisions of law, all fines and forfeited bail money from violations of statutes governing the maximum weight of motor vehicles, collected from persons apprehended or arrested by employees of the state of Minnesota, by means of stationary or portable scales operated by these employees, shall be paid by the person or officer collecting the fines or forfeited bail money, on or before the tenth day after the last day of the month in which the collections were made, to the county treasurer of the county where the violation occurred. Five-eighths of these receipts shall be transmitted by that officer to the state treasurer and shall be credited to the highway user tax distribution fund. Three-eighths of these receipts shall be credited to the general revenue fund of the county.

(c) Paragraphs (a) and (b) do not apply in the eighth judicial district, which is governed by chapter 484A.

Sec. 5. Minnesota Statutes Second 1989 Supplement, section 357.021, subdivision 1a, is amended to read:

Subd. 1a. (a) Every person, including the state of Minnesota and all bodies politic and corporate, who shall transact any business in the district court, shall pay to the court administrator of said court the sundry fees prescribed in subdivision 2. ~~When the public authority responsible for child support enforcement is a party to any action or proceeding in the district court or according to section 518.551, subdivision 10, no fee is required under this section.~~ The court administrator shall transmit the fees monthly to the ~~county~~

~~treasurer who shall forward the funds to the~~ state treasurer for deposit in the state treasury and credit to the general fund.

(b) In a county which has a screener-collector position, fees paid by a county pursuant to this subdivision shall be transmitted monthly to the county treasurer, who shall apply the fees first to reimburse the county for the amount of the salary paid for the screener-collector position. The balance of the fees collected shall then be forwarded to the state treasurer for deposit in the state treasury and credited to the general fund. A screener-collector position for purposes of this paragraph is an employee whose function is to increase the collection of fines and to review the incomes of potential clients of the public defender, in order to verify eligibility for that service.

(c) No fee is required under this section from the public authority or the party the public authority represents in an action for:

(1) child support enforcement, medical assistance enforcement, or establishment of parentage in the district court, or child or medical support enforcement conducted by an administrative law judge in an administrative hearing under section 518.551, subdivision 10;

(2) civil commitment under chapter 253B;

(3) the appointment of a public conservator or public guardian or any other action under chapters 252A and 525;

(4) wrongfully obtaining public assistance under section 256.98 or 256D.07, or recovery of overpayments of public assistance;

(5) the protection of juveniles under chapter 260;

(6) forfeiture of property under sections 609.531 to 609.5317; or

(7) recovery of amounts issued by political subdivisions or public institutions under sections 246.52, 252.27, 256.045, 256.25, 256.87, 256B.042, 256B.14, 256B.15, 256B.37, and 260.251, or other sections referring to other forms of public assistance.

Sec. 6. Minnesota Statutes Second 1989 Supplement, section 477A.012, subdivision 4, is amended to read:

Subd. 4. [AID OFFSET FOR 1992 COURT COSTS.] (a) There shall be deducted from the payment to a county under this section an amount representing the cost to the state for assumption of the cost of court reporters, judicial officers, and district court referees and the expenses of law clerks and court reporters as authorized in ~~sections 484.545, subdivision 3, and~~ section 486.05, subdivisions 1 and 1a. The amount of the deduction is computed as provided in this subdivision.

(b) By June 30, 1991, the supreme court shall determine and certify to the department of revenue for each county, except counties located in the eighth judicial district, the pro rata share for each county of court reporter, judicial officer, and district court referee costs and law clerk and court reporter expenses during the calendar year beginning on January 1, 1992.

(c) One-half of the amount computed under paragraph (b) for each county shall be deducted from each aid payment to the county under section 477A.015 in 1992 and each subsequent year.

(d) If the amount computed under paragraph (b) exceeds the amount payable to a county under subdivision 1, the excess shall be deducted from the aid payable to the county under section 273.1398, subdivision 2.

Sec. 7. Minnesota Statutes 1988, section 484.54, subdivision 1, is amended to read:

Subdivision 1. Except as provided in subdivision 2, judges shall be compensated for travel and subsistence expenses in the same manner and amount as provided in the plan adopted by the commissioner of employee relations pursuant to section 43A.18, subdivision 3. Additionally, judges of the district court shall be reimbursed for all sums, not reimbursed by counties, they shall necessarily hereafter pay out for only the following purposes: telephone tolls, postage, expressage, stationery, including printed letterheads and envelopes for official business; robes; tuition, travel and subsistence for attending educational programs except that no expense shall be paid to satisfy continuing legal education requirements, attendance at which is approved by the supreme court.

Sec. 8. Minnesota Statutes 1988, section 484.545, subdivision 1, is amended to read:

Subdivision 1. ~~The district judges regularly assigned to hold court in each judicial district except for the second, fourth, and tenth judicial districts may by orders filed with the court administrator and county auditor of each county in the district appoint a competent law clerk for every two district court judges of the judicial district. The district judges regularly assigned to hold court in the first and tenth judicial districts may by orders filed with the court administrator and county auditor of each county in the district appoint a competent law clerk for each district court judge of the district.~~ The supreme court in consultation with the judges of the judicial district shall determine the number of law clerks in each judicial district. The supreme court shall set compensation for law clerks within a range established by an adopted personnel plan. Any personnel increases above those certified by the court on October 1, 1989, must be approved as change requests through the biennial budget process.

Sec. 9. Minnesota Statutes 1988, section 484.68, subdivision 2, is amended to read:

Subd. 2. [STAFF.] The district administrator shall have such deputies, assistants and staff as the ~~judges of the judicial district deem~~ supreme court considers necessary to perform the duties of the office. Any personnel increases above those certified by the court on October 1, 1989, must be approved as change requests through the biennial budget process.

Sec. 10. Minnesota Statutes 1989 Supplement, section 484.68, subdivision 5, is amended to read:

Subd. 5. [BUDGET FOR OFFICE.] The office budget of the district administrator shall be paid by the state. ~~The budget must include sufficient money for the staff authorized by this section and other staff and expenses authorized under law.~~ A county shall provide office facilities for the district administrator.

Sec. 11. Minnesota Statutes 1988, section 484.68, is amended by adding a subdivision to read:

Subd. 5a. [BUDGET FOR THE DISTRICT.] The district administrator in consultation with the judges of the district shall prepare a budget for all state-funded personnel and expenses in the district in a format and within guidelines prescribed by the supreme court. The budget shall be submitted to the supreme court for review, approval, and incorporation into a single trial court budget for transmittal to the legislature. Any increase in the number of state-funded positions beyond those certified by the court on October 1, 1989, must be approved as change requests through the biennial budget process.

Sec. 12. Minnesota Statutes 1988, section 484.70, subdivision 1, is amended to read:

Subdivision 1. [APPOINTMENT.] The chief judge of the judicial district may appoint one or more suitable persons to act as referees. Referees shall hold office at the pleasure of the judges of the district court and shall be learned in the law, except that persons holding the office of referee on January 1, 1983, may continue to serve under the terms and conditions of their appointment. All referees are subject to the administrative authority and assignment power of the chief judge of the district as provided in section 484.69, subdivision 3, and are not limited to assignment to family, probate, juvenile or special term court. Part time referees holding office in the second judicial district pursuant to this subdivision shall cease to hold office on July 31, 1984. Any increase in referee positions above those in place on January 30, 1989, must be approved as change requests in the biennial budget process.

Sec. 13. [484.75] [TRANSFERS OF PROPERTY.]

Any personal property transferred to a court by Laws 1989, chapter 335, article 3, section 42, must be used only for court purposes in the county of origin and reverts to the county of origin after it is declared surplus property by the court.

Sec. 14. [484.76] [HIRING AND SALARY MORATORIUM.]

A county or a court must not increase the number of referees, judicial officers, court reporters, law clerks, or district administration employees, other than district administration employees in the second or fourth judicial district, unless the increase was authorized before January 30, 1989. A county or a court must not increase the salaries of these employees without the approval of the supreme court, unless the increase is made under a plan adopted before January 30, 1989. The supreme court must not approve aggregate performance increases for these employees that exceed an average of five percent. New positions created after January 30, 1989, must be reflected as change requests in the biennial budget process when these functions are taken over by the state.

EIGHTH JUDICIAL DISTRICT PROJECT

Sec. 15. [484A.01] [APPLICATION.]

This chapter applies only in the eighth judicial district.

Sec. 16. [484A.02] [EIGHTH JUDICIAL BUDGET, REVENUES, ACCOUNTING PLAN.]

Subdivision 1. [BUDGETS.] The court administrators and the judicial district administrator in the eighth judicial district shall each develop a budget in a form prescribed by the supreme court. The budgets must include the personnel and costs of operating the courts in the eighth judicial district, including those costs described in this chapter, but must not include the costs of capital expenditures. The budgets must be submitted to the supreme court with the comments of the district administrator and chief judge. The supreme court shall incorporate these into a judicial district budget for submission through the regular biennial budget process. Additional expenditures and complement above those certified by the court on October 1, 1989, must be submitted as change requests in the biennial budget process.

Subd. 2. [FEE, FINE, AND FORFEITURE REVENUE.] The court administrators in the eighth judicial district shall collect and transmit to the state treasurer all filing fee revenue and bail forfeitures, and the county share of fine revenue. The money must be recorded by the state treasurer each month on a county by county

basis. Except as otherwise provided in this chapter, the money must be deposited in the state's general fund as nondedicated receipts.

Subd. 3. [COOPERATION.] The court employees, county officials, and the county boards of the affected counties shall cooperate with the state and district court administrators in implementing this section.

Subd. 4. [ACCOUNTING PLAN.] The supreme court shall consult with all district administrators, the state board of public defense, and appropriate county officials in the other judicial districts and develop a uniform plan for accounting and shall implement detailed reporting of the costs of the various functions of the judicial districts and court costs in the counties. The plan shall also include the costs of public defense services as well as costs of items not mentioned in this section that the supreme court believes may be a function that the state could take over if it were to fund the state trial court system. These costs must be included in any report to the legislature on state takeover of the trial court and public defense systems. Counties in all the judicial districts shall cooperate with the supreme court and the state board of public defense in developing these standards and calculating and reporting these costs in a timely and accurate manner.

Sec. 17. [484A.03] [SALARIES; PERSONNEL.]

Subdivision 1. [COURT ADMINISTRATORS.] The salary of the court administrator of district court shall be paid according to the supreme court's adopted personnel plan.

Subd. 2. [STAFF, OFFICE OF COURT ADMINISTRATOR.] (a) Judges of the district subject to supreme court approval shall determine the number of deputies, clerks, and other employees in the office of the court administrator of district court who, shall be compensated according to the supreme court's adopted personnel plan. The court administrator shall appoint the deputies and other employees, for whose acts the court administrator shall be responsible, and whom the court administrator may remove at pleasure.

(b) The supreme court shall, in the trial court budget, provide the budget for (1) the salaries of deputies, clerks, and other employees in the office of the court administrator of county court; and (2) other expenses necessary in the performance of the duties of the office.

Sec. 18. [484A.04] [FINES AND FORFEITED BAIL.]

Subdivision 1. [GAME AND FISH LAWS.] (a) One-half of fines and forfeited bail collected from prosecutions of violations of the game and fish laws, sections 84.09 to 84.15, and 84.81 to 84.88, chapter 348, and any other law relating to wild animals, and aquatic

vegetation must be paid to the commissioner of natural resources for deposit in the game and fish fund and the balance to the state treasurer for deposit in the general fund, except as provided in paragraph (b).

(b) The court administrator shall indicate the amount of the receipts that are assessments or surcharges imposed under section 609.101 and shall submit all of those receipts to the commissioner. The receipts must be credited to the game and fish fund to provide peace officer training for persons employed by the commissioner who are licensed under section 626.84, subdivision 1, clause (c), and who possess peace officer authority to enforce game and fish laws.

Subd. 2. [STATE PATROL.] (a) Fines and forfeited bail money from traffic and motor vehicle law violations collected from persons apprehended or arrested by officers of the state patrol must be transmitted by the collector to the state treasurer before the 11th day after the last day of the month in which the money was collected. Three-eighths of the receipts must be credited to the general fund and five-eighths of the receipts must be credited to the trunk highway fund. If, however, the violation occurs within a municipality and the city attorney prosecutes the offense, and a plea of not guilty is entered, one-third of the receipts must be credited to the general revenue fund of the state, one-third of the receipts must be paid to the municipality prosecuting the offense, and one-third must be credited to the trunk highway fund. All costs of participation in a nationwide police communication system chargeable to the state must be paid from appropriations for that purpose.

(b) Notwithstanding any other law, fines and forfeited bail money from violations of statutes governing the maximum weight of motor vehicles, collected from persons apprehended or arrested by employees of the state, by means of stationary or portable scales operated by the employees, must be transmitted by the collector to the state treasurer. Five-eighths of the receipts must be credited to the highway user tax distribution fund and three-eighths of the receipts must be credited to the general fund.

Sec. 19. [484A.05] [FINES; HOW DISPOSED OF.]

Fines and forfeitures not specially granted, appropriated, or required to be distributed to a city, shall be forwarded to the state treasurer for deposit in the state treasury and credit to the general fund.

Sec. 20. Minnesota Statutes 1989 Supplement, section 485.018, subdivision 5, is amended to read:

Subd. 5. [COLLECTION OF FEES.] The court administrator of district court shall charge and collect all fees as prescribed by law ~~and all such fees collected by the court administrator as court~~

~~administrator of district court shall be paid to the county treasurer~~. Except for those portions of forfeited bail paid to victims pursuant to existing law, the ~~county treasurer~~ court administrator shall forward all revenue from fees and forfeited bail collected under chapters 357 ~~and~~, 574, and 487, and not required to be distributed to a city by statute, to the state treasurer for deposit in the state treasury and credit to the general fund, ~~unless otherwise provided in chapter 611A or other law,~~ in the manner and at the times prescribed by the state treasurer, but not less often than once each month. ~~All other money must be deposited in the county general fund unless otherwise provided by law.~~ The court administrator of district court shall not retain any additional compensation, per diem or other emolument for services as court administrator of district court, but may receive and retain mileage and expense allowances as prescribed by law.

Sec. 21. Minnesota Statutes 1988, section 485.03, is amended to read:

485.03 [DEPUTIES.]

The county board shall determine the number of permanent full time deputies, clerks and other employees in the office of the court administrator of district court and shall fix the compensation for each position. The county board shall also budget for temporary deputies and other employees and shall fix their rates of compensation. The court administrator shall appoint in writing the deputies and other employees, for whose acts the court administrator shall be responsible, and whom the court administrator may remove at pleasure. Before each enters upon official duties, the appointment and oath of each shall be filed with the county recorder. This section does not apply in the eighth judicial district, which is governed by chapter 484A.

Sec. 22. Minnesota Statutes 1988, section 486.01, is amended to read:

486.01 [APPOINTMENT, DUTIES, BOND; SUBSTITUTES.]

~~Each judge, by duplicate orders filed with the court administrator and county auditor of the several counties of the judge's district,~~ The judges of the judicial district may appoint a competent ~~stenographer~~ stenographers as ~~reporter~~ reporters of the court, ~~to hold office during the judge's pleasure, and~~ to act as the ~~judge's secretary~~ judges' secretaries in all matters pertaining to official duties. ~~Such reporter shall give bond to the state in the sum of $2,000, to be approved by the appointing judge, conditioned for the faithful and impartial discharge of all the reporter's duties, which bond, with the oath of office, shall be filed with the court administrator in the county in which the judge resides.~~ Court reporters shall be paid according to the supreme court's adopted personnel plan.

Whenever the official reporter so appointed, because of sickness or physical disability, is temporarily unable to perform duties, the judge of the court affected may, if another official court reporter is not available, secure for the temporary period of disability of the official court reporter, another competent reporter to perform such duties for not to exceed 60 days in any calendar year. The substitute court reporter so appointed shall receive as salary an amount ~~equal to the salary of the official court reporter for the period of time involved and shall also receive in addition thereto expenses and fees provided by sections 486.05 and 486.06~~ set by the supreme court in an adopted personnel plan. The salary of such substitute reporter shall be paid in the manner now provided by law for the payment of the salary of the official court reporter. ~~The substitute court reporter shall not be required to furnish bond, unless ordered by the judge to do so. The employment of and the compensation paid to such substitute reporter shall in no way affect or prejudice the employment of and the compensation paid to the official court reporter of said court.~~

Sec. 23. Minnesota Statutes 1989 Supplement, section 486.05, subdivision 1, is amended to read:

Subdivision 1. [SALARIES.] The salary for each court reporter shall be set ~~annually~~ by the district administrator within the range established ~~under section 480.181 as provided in the judicial branch personnel rules~~ by the supreme court.

Sec. 24. Minnesota Statutes 1989 Supplement, section 486.05, subdivision 1a, is amended to read:

Subd. 1a. [EXPENSES.] A court reporter, in addition to a salary, shall be paid necessary mileage, traveling, and hotel expenses incurred in the discharge of official duties while absent from the home chambers where the judge the reporter serves is assigned. The expenses are to be paid by the state ~~upon presentation of a verified itemized statement approved by the judge~~ in a manner prescribed by law.

Sec. 25. Minnesota Statutes 1989 Supplement, section 486.06, is amended to read:

486.06 [CHARGE FOR TRANSCRIPT.]

In addition to the salary set in section 486.05, the court reporter may charge for a transcript of a record ordered by any person other than the judge, the attorney general's office, or the board of public defense, 50 cents per original folio thereof and ten cents per folio for each manifold or other copy thereof when so ordered that it can be made with the original transcript. The chief judge of the judicial district may by order establish new transcript fee ceilings annually.

A court reporter may impose a fee authorized under this section only if the transcript is delivered to the person who ordered it within a reasonable time after it was ordered.

Sec. 26. Minnesota Statutes 1989 Supplement, section 487.31, subdivision 1, is amended to read:

Subdivision 1. ~~The fees payable to the court administrator for the following services in civil actions are:~~

~~In all civil actions within the jurisdiction of the county court, the fees payable to the court administrator shall be the same as in district court.~~ The fee payable for cases heard in conciliation court division is established under section 357.022.The filing fees must be transmitted ~~to the county treasurer who shall transmit them~~ to the state treasurer for deposit in the general fund.

The fees payable to the court administrator for the following services in petty misdemeanors or criminal actions are governed by the following provisions:

In the event the court takes jurisdiction of a prosecution for the violation of a statute or ordinance by the state or a governmental subdivision other than a city or town within the county court district; all fines, penalties and forfeitures collected shall be paid over to the treasurer of the governmental subdivision which submitted a case for prosecution except where a different disposition is provided by law, in which case payment shall be made to the public official entitled thereto.

The following fees for services in petty misdemeanor or criminal actions shall be taxed to the state or governmental subdivision which would be entitled to payment of the fines, forfeiture or penalties in any case, and shall be retained by the court administrator for disposing of the matter but in no case shall the fee that is taxed exceed the fine that is imposed. The court administrator shall deduct the fees from any fine collected and transmit the balance in accordance with the law, and the deduction of the total of such fees each month from the total of all such fines collected is hereby expressly made an appropriation of funds for payment of such fees:

(1) In all cases where the defendant pleads guilty at or prior to first appearance and sentence is imposed or the matter is otherwise disposed of without a trial $5

(2) Where the defendant pleads guilty after first appearance or prior to trial $10

(3) In all other cases where the defendant is found guilty by the court or jury or pleads guilty during trial $15

(4) The court shall have the authority to waive the collection of fees in any particular case.

The fees set forth in this subdivision shall not apply to parking violations for which complaints and warrants have not been issued.

Sec. 27. Minnesota Statutes 1988, section 487.32, subdivision 2, is amended to read:

Subd. 2. Any bail not forfeited by court order shall be deemed abandoned and forfeited if the person entitled to refund does not file a written demand for refund with the court administrator within six months from the date when the person became entitled to the refund. Forfeitures shall be transmitted to the state treasurer for deposit in the general fund.

Sec. 28. Minnesota Statutes 1988, section 487.32, subdivision 3, is amended to read:

Subd. 3. A judge of a ~~county~~ district court may order any sums forfeited to be reinstated and the ~~county treasurer~~ court administrator shall then refund accordingly. The ~~county~~ state treasurer shall reimburse the court administrator if the court administrator refunds the deposit upon a judge's order and obtains a receipt to be used as a voucher.

Sec. 29. Minnesota Statutes 1988, section 487.33, is amended by adding a subdivision to read:

Subd. 7. [EXCEPTIONS.] This section does not apply in the eighth judicial district which is governed by chapter 484A.

Sec. 30. Minnesota Statutes 1988, section 611.20, is amended to read:

611.20 [SUBSEQUENT ABILITY TO PAY COUNSEL.]

If at any time after the state public defender or a district public defender has been directed to act, the court having jurisdiction in the matter is satisfied that the defendant or other person is financially able to obtain counsel or to make partial payment for the representation, the court may terminate the appointment of the public defender, unless the person so represented is willing to pay therefor. If a public defender continues the representation, the court shall direct payment for such representation as the interests of justice may dictate. Any payments directed by the court shall be ~~deposited with~~ recorded by the court administrator ~~thereof and the court administrator shall forthwith remit the amount thereof to the treasurer of the governmental unit chargeable with the compensation of such public defender for deposit in the treasury to the credit~~

~~of the general revenue fund of such governmental unit or units,~~ who shall transfer the payments to the governmental unit responsible for the costs of the public defender.

If at any time after appointment a public defender should have reason to believe that a defendant is financially able to obtain counsel or to make partial payment for counsel, it shall be the public defender's duty to so advise the court so that appropriate action may be taken.

Sec. 31. Minnesota Statutes 1988, section 611.215, subdivision 1, is amended to read:

Subdivision 1. [STRUCTURE; MEMBERSHIP.] (a) The state board of public defense is a part of, but is not subject to the administrative control of, the judicial branch of government. The state board of public defense shall consist of seven members including:

(1) a district court judge appointed by the supreme court;

(2) four attorneys admitted to the practice of law, well acquainted with the defense of persons accused of crime, but not employed as prosecutors, appointed by the supreme court; and

(3) two public members appointed by the governor.

(b) All members shall demonstrate an interest in maintaining a high quality, independent defense system for those who are unable to obtain adequate representation. The terms, compensation, and removal of members shall be as provided in section 15.0575. The chair shall be elected by the members from among the membership for a term of two years.

~~(c) In addition, the state board of public defense shall consist of an 11-member ad hoc board when considering the appointment of district public defenders under section 611.26, subdivision 2. The terms of district public defenders currently serving shall terminate in accordance with the staggered term schedule set forth in section 611.26, subdivision 2.~~

Sec. 32. Minnesota Statutes 1989 Supplement, section 611.26, subdivision 2, is amended to read:

Subd. 2. The state board of public defense shall appoint a district public defender. ~~When appointing a district public defender, the state board of public defense membership shall be increased to include two judges of the district and two county commissioners of the counties within the district. The additional members shall serve only in the capacity of selecting the district public defender. The~~

~~judges within the district shall elect their two ad hoc members. The two county commissioners within the district shall be selected by the county boards of the counties within the district.~~ The ~~ad hoc~~ state board of public defense shall appoint a district public defender only after requesting and giving reasonable time to receive any recommendations from the public, the local bar association, and the judges of the district~~, and the county commissioners within the district~~. Each district public defender shall be a qualified attorney, licensed to practice law in this state. The district public defender shall be appointed for a term of four years, beginning November 1, pursuant to the following staggered term schedule: (1) in 1987, the third and eighth districts; (2) in 1988, the first and tenth districts; (3) in 1989, the fifth and ninth districts; (4) in 1990, the sixth and seventh districts; (5) in 1991, the second, ~~fourth~~ third, and eighth districts; and (6) in 1992, the first, ~~third~~ fourth, and tenth districts. The district public defenders shall serve for staggered four-year terms and may be removed for cause upon the order of the state board of public defense. Vacancies in the office shall be filled by the appointing authority for the unexpired term.

Sec. 33. Minnesota Statutes 1988, section 611.26, subdivision 3, is amended to read:

Subd. 3. The compensation of the district public defender shall be set by the board of public defense. The compensation of each assistant district public defender shall be set by the district public defender with the approval of the board of public defense. The compensation for district public defenders may not exceed the prevailing compensation for county attorneys within the district, and the compensation for assistant district public defenders may not exceed the prevailing compensation for assistant county attorneys within the district. To assist the board of public defense in determining prevailing compensation under this subdivision, counties shall ~~include in their review and comment on proposed district public defender budgets~~ provide to the board information on the compensation of county attorneys, including salaries and benefits, rent, secretarial staff, and other pertinent budget data. For purposes of this subdivision, compensation means salaries, cash payments, and employee benefits including paid time off and group insurance benefits, and other direct and indirect items of compensation including the value of office space provided by the employer.

Sec. 34. Minnesota Statutes 1988, section 611.27, is amended to read:

611.27 [FINANCING THE OFFICES OF DISTRICT PUBLIC DEFENDER.]

Subdivision 1. (a) The total compensation and expenses, including office equipment and supplies, of the district public defender are to be paid by the county or counties comprising the judicial district.

(b) A district public defender shall annually submit a comprehensive budget to the state board of public defense. The budget shall be in compliance with standards and forms required by the board and must, at a minimum, include detailed substantiation as to all revenues and expenditures. The district public defender shall, at times and in the form required by the board, submit reports to the board concerning its operations, including the number of cases handled and funds expended for these services.

Within ten days after an assistant district public defender is appointed, the district public defender shall certify to the state board of public defense the compensation that has been recommended for the assistant.

(c) The state board of public defense shall transmit the proposed budget of each district public defender to the respective district court administrators and county budget officers for comment before the board's final approval of the budget. The board shall determine and certify to the respective county boards a final comprehensive budget for the office of the district public defender that includes all expenses. ~~After the board determines the allocation of the state funds authorized pursuant to paragraph (e),~~ The board shall apportion the expenses of the district public defenders among the several counties and each county shall pay its share in monthly installments. The county share is the proportion of the total expenses that the population in the county bears to the total population in the district as determined by the last federal census. If the district public defender or an assistant district public defender is temporarily transferred to a county not situated in that public defender's judicial district, said county shall pay the proportionate part of that public defender's expenses for the services performed in said county.

(d) Reimbursement for actual and necessary travel expenses in the conduct of the office of the district public defender shall be charged to either (1) the general expenses of the office, (2) the general expenses of the district for which the expenses were incurred if outside the district, or (3) the office of the state public defender if the services were rendered for that office.

(e) Money appropriated to the state board of public defense for the board's administration, the state public defender, judicial district public defenders, and ~~the public defender must~~ be spent with the approval of the ~~state board of public defense for the board's administration and for thestate public defender and public defense corporations in amounts determined by the board~~ public defense corporations shall be expended as determined by the board. ~~Funds may also be distributed by the state board of public defense to district public defenders including those in Hennepin and Ramsey counties. In making distributions to district public defenders, priority must be given, to the extent feasible and reasonable, to those districts having the greatest number of felonies and gross misde-

~~meanors, and to those districts having the greatest number of distressed counties designated under section 297A.257. The board shall further consider each district's number of dispositions, such as jury trials, court trials and guilty pleas, the number of court appearances, and other trial-related financial data, and any special needs of districts organized in the calendar year 1987~~ In distributing funds to district public defenders, the board shall consider the results of the weighted case load study.

Subd. 2. The state board of public defense, after consultation with the county boards, shall designate the county officials of one or more counties within the district to pay the expenses of the district public defender. The county share assessed under subdivision 1 against each county of the district must be paid to the county treasurer of the designated county. The board may reimburse the designated counties for extra costs incurred. The board must provide for a revolving fund in the custody of the officials of the designated county into which each county must pay an initial deposit and its respective share of the expenses of the office of district public defender and from which the expenses of said office shall be paid in the manner provided in ~~Laws 1965, chapter 869~~ law.

Subd. 3. If the state public defender or a district public defender deems it necessary to make a motion for a new trial, to take an appeal, or other postconviction proceedings in order to properly represent a defendant or other person whom that public defender had been directed to represent, that public defender may use the transcripts of the testimony and other proceedings filed with the court administrator of the district court as provided by section 243.49.

Subd. 4. [COUNTY PORTION OF COSTS.] ~~The effective date of this section shall be January 1, 1966.~~ That portion of subdivision 1 directing counties to pay the costs of public defense service shall not be in effect between July 1, 1990, and July 1, 1993. This subdivision only relates to costs associated with felony and gross misdemeanor public defense services and all public defense services in the second, fourth, and eighth judicial districts.

Sec. 35. Minnesota Statutes 1988, section 611.271, is amended to read:

611.271 [COPIES OF DOCUMENTS; FEES.]

The court administrators of all courts and justices of peace shall furnish upon the request of the ~~office of~~ district public defender or the state public defender copies of any documents in their possession ~~and shall bill the office of the state public defender for these copies after they have been furnished. The fees for such documents shall be $2 plus 12 cents for each page of the documents furnished~~.

Sec. 36. Minnesota Statutes 1988, section 629.292, subdivision 1, is amended to read:

Subdivision 1. [REQUEST FOR DISPOSITION; NOTIFICATION OF PRISONER.] (a) Any person who is imprisoned in a penal or correctional institution or other facility in the department of corrections of this state may request final disposition of any untried indictment or ~~information~~ complaint pending against the person in this state. The request shall be in writing addressed to the court in which the indictment or ~~information~~ complaint is pending and to the prosecuting attorney charged with the duty of prosecuting it, and shall set forth the place of imprisonment.

(b) The commissioner of corrections or other official designated by the commissioner having custody of prisoners shall promptly inform each prisoner in writing of the source and nature of any untried indictment or ~~information~~ complaint against the prisoner of which the commissioner of corrections or such official had knowledge or notice and of the prisoner's right to make a request for final disposition thereof.

(c) Failure of the commissioner of corrections or other such official to inform a prisoner, as required by this section, within one year after a detainer has been filed at the institution shall entitle the prisoner to a final dismissal of the indictment or ~~information~~ complaint with prejudice.

Sec. 37. Laws 1989, chapter 335, article 3, section 38, is amended to read:

Sec. 38. [TRANSITION, PUBLIC DEFENDERS; SECOND AND FOURTH DISTRICTS.]

The district public ~~defender~~ defenders of the second and fourth judicial ~~district~~ districts serving on July 1, 1989, shall continue in office until the expiration of ~~the term to which appointed or until August 1, 1991, whichever date is later~~ their terms.

~~The district public defender of the fourth judicial district serving on July 1, 1989, shall continue in office until the expiration of the term to which appointed or until August 1, 1991, whichever date is later.~~

Sec. 38. Laws 1989, chapter 335, article 3, section 58, as amended by Laws 1989, chapter 356, section 67, and Laws 1989, First Special Session chapter 1, article 5, section 48, subdivision 3, is amended to read:

Subd. 3. [JANUARY 1, 1991; ALL DISTRICTS.] That portion of section 6 which amends the first sentence of Minnesota Statutes

1989 Supplement, section 357.021, subdivision 1a, requiring counties to pay filing fees in district court actions is effective January 1, ~~1991~~ 1994, for counties in all judicial districts.

Sec. 39. [REPEALER.]

Minnesota Statutes 1988, sections 484.55; 485.018, subdivision 2a; 486.07; 487.10, subdivisions 2 and 4; and 487.13; Minnesota Statutes 1989 Supplement, sections 357.021, subdivision 2a; and 484.545, subdivisions 2 and 3; and Laws 1989, chapter 335, article 3, sections 45 to 53, are repealed.

Sec. 40. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment. Section 13 is effective the day following final enactment retroactive to January 1, 1990. Section 14 is effective the day following final enactment retroactive to January 30, 1989. Sections 12, 22, 23, 24, and 25 are effective January 1, 1992, except that in the eighth judicial district, sections 22, 23, 24, and 25 are effective July 1, 1990. Section 8 is effective October 1, 1990, except that in the eighth judicial district it is effective July 1, 1990. The effective dates in this section supersede the effective dates in Laws 1989, chapter 335, article 3, section 58, as amended by Laws 1989, First Special Session chapter 1, article 5, section 48, to the extent those dates are inconsistent with the dates in this section.

ARTICLE 3

FUND CONSOLIDATION

Section 1. [STATEMENT OF PURPOSE.]

During recent years the state of Minnesota has experienced a significant increase in the number of special revenue accounts and funds that has created a large base of nongeneral fund budget activities. The resulting structure is complicated and at best difficult for the legislature to exercise adequate legislative oversight of. Executive branch agencies are also being faced with increased administrative costs and programmatic restrictions because of the growing number of special revenue funds and accounts. This article is an attempt to simplify the existing accounting structure and develop an accounting organizational structure that is reflective of agency functional organizations.

The consolidations in this article are not intended to restructure programs within agencies by reducing the number of special revenue accounts and funds. Fund consolidation in this article shall not be accomplished at the expense of those user groups who pay fees to the current special revenue accounts and funds. Fees currently

being paid shall continue to be used for the purposes for which the fees were created.

Sec. 2. [INVESTMENT EARNINGS.]

Notwithstanding any law to the contrary, the department of finance shall credit investment earnings only to those funds and accounts that are directly appropriated. Investment earnings from all other funds and accounts with open appropriation authority will be credited to the general fund.

Sec. 3. [EXEMPTION.]

Gift funds, trust funds, funds receiving bond proceeds, insurance funds, and funds where the federal government requires that investment earnings be credited to the fund or account are exempt from section 2.

Sec. 4. Minnesota Statutes 1988, section 3C.035, subdivision 3, is amended to read:

Subd. 3. [RESTRICTIONS ON OUTSIDE DRAFTING.] A department or agency may not contract with an attorney, consultant, or other person either to provide drafting services to the department or agency or to advise on drafting unless the revisor determines that special expertise is required for the drafting and the expertise is not available from the revisor or the revisor's staff. ~~A department or agency may not request legislative staff, other than the revisor of statutes, to provide drafting services to the department or agency.~~

Sec. 5. Minnesota Statutes 1988, section 3C.11, subdivision 2, is amended to read:

Subd. 2. [PAMPHLETS.] The revisor's office shall compose, print, and deliver pamphlets containing parts of Minnesota Statutes, parts of Minnesota Rules, or combinations of parts of the statutes and rules as may be necessary for the use of public officers and departments. The revisor's office shall use a standard form for the pamphlets. The cost of composition, printing, and delivery of the pamphlets~~, together with a reasonable fee for the revisor's services,~~ is to be borne by the office or department requesting them. The printing must be limited to actual needs as shown by experience or other competent proof. ~~Revenue from the revisor's fee must be deposited in the general fund.~~

Sec. 6. Minnesota Statutes 1988, section 5.13, is amended to read:

5.13 [DEPOSIT OF FEES.]

Fees collected by the secretary of state must be deposited in the state treasury and credited to the ~~special revenue~~ general fund.

Sec. 7. Minnesota Statutes 1989 Supplement, section 5.18, is amended to read:

5.18 [SUPPLEMENTAL FILING AND INFORMATION SERVICES.]

(a) The secretary of state may offer services to the public that supplement filing and information services already authorized by law. The secretary of state may discontinue the supplemental services at any time. The services must be designed to provide the public with a benefit by improving the manner of providing, or by providing an alternative manner of payment for, existing services provided by the secretary of state.

(b) The cost of providing the supplemental services to the public, as determined by the secretary of state, must be recovered from the recipients of the services. The funds collected for the services must be deposited in the ~~uniform commercial code account~~ general fund and are continuously available to the secretary of state for payment of the cost of providing the supplemental services.

Sec. 8. Minnesota Statutes 1988, section 14.07, subdivision 1, is amended to read:

Subdivision 1. [RULE DRAFTING ASSISTANCE PROVIDED.] ~~(a)~~ The revisor of statutes shall:

(1) maintain an agency rules drafting department to draft or aid in the drafting of rules or amendments to rules for any agency in accordance with subdivision 3 and the objective or other instructions which the agency shall give the revisor; and,

(2) prepare and publish an agency rules drafting guide which shall set out the form and method for drafting rules and amendments to rules, and to which all rules shall comply.

~~(b) The revisor shall assess an agency for the actual cost of providing aid in drafting rules or amendments to rules. The agency shall pay the assessment using the procedures of section 3C.056. Each agency shall include in its budget money to pay the revisor's assessment. Receipts from the assessment must be deposited in the state treasury and credited to the general fund.~~

~~(c) An agency may not contract with an attorney, consultant, or other person either to provide rule drafting services to the agency or to advise on drafting unless the revisor determines that special~~

~~expertise is required for the drafting and the expertise is not available from the revisor or the revisor's staff.~~

Sec. 9. Minnesota Statutes 1988, section 14.07, subdivision 2, is amended to read:

Subd. 2. [APPROVAL OF FORM.] No agency decision to adopt a rule or emergency rule, including a decision to amend or modify a proposed rule or proposed emergency rule, shall be effective unless the agency has presented the rule to the revisor of statutes and the revisor has certified that its form is approved. ~~The revisor shall assess an agency for the actual cost of processing rules for consideration for approval of form. The assessments must include necessary costs to create or modify the computer data base of the text of a rule and the cost of putting the rule into the form established by the drafting guide provided for in subdivision 1. The agency shall pay the assessments using the procedures of section 3C.056. Each agency shall include in its budget money to pay revisor's assessments. Receipts from the assessments must be deposited in the state treasury and credited to the general fund.~~

Sec. 10. Minnesota Statutes 1988, section 14.08, is amended to read:

14.08 [REVISOR OF STATUTES APPROVAL OF RULE FORM.]

(a) Two copies of a rule adopted pursuant to the provisions of section 14.26 or 14.32 shall be submitted by the agency to the attorney general. The attorney general shall send one copy of the rule to the revisor on the same day as it is submitted by the agency under section 14.26 or 14.32. Within five days after receipt of the rule, excluding weekends and holidays, the revisor shall either return the rule with a certificate of approval of the form of the rule to the attorney general or notify the attorney general and the agency that the form of the rule will not be approved.

If the attorney general disapproves a rule, the agency may modify it and the agency shall submit two copies of the modified rule to the attorney general who shall send a copy to the revisor for approval as to form as described in this paragraph.

(b) One copy of a rule adopted after a public hearing shall be submitted by the agency to the revisor for approval of the form of the rule. Within five working days after receipt of the rule, the revisor shall either return the rule with a certificate of approval to the agency or notify the agency that the form of the rule will not be approved.

(c) If the revisor refuses to approve the form of the rule, the revisor's notice shall revise the rule so it is in the correct form.

~~(d) The attorney general and the revisor of statutes shall assess an agency for the actual cost of processing rules under this section. The agency shall pay the revisor's assessments using the procedures of section 3C.056. The agency shall pay the attorney general's assessments using the procedures of section 8.15. Each agency shall include in its budget money to pay the revisor's and the attorney general's assessments. Receipts from the assessment must be deposited in the state treasury and credited to the general fund.~~

Sec. 11. Minnesota Statutes 1988, section 14.26, is amended to read:

14.26 [ADOPTION OF PROPOSED RULE; SUBMISSION TO ATTORNEY GENERAL.]

If no hearing is required, the agency shall submit to the attorney general the proposed rule and notice as published, the rule as proposed for adoption, any written comments received by the agency, and a statement of need and reasonableness for the rule. The agency shall give notice to all persons who requested to be informed that these materials have been submitted to the attorney general. This notice shall be given on the same day that the record is submitted. If the proposed rule has been modified, the notice shall state that fact, and shall state that a free copy of the proposed rule, as modified, is available upon request from the agency. The rule and these materials shall be submitted to the attorney general within 180 days of the day that the comment period for the rule is over or the rule is automatically withdrawn. The agency shall report its failure to adopt the rules and the reasons for that failure to the legislative commission to review administrative rules, other appropriate legislative committees, and the governor.

Even if the 180-day period expires while the attorney general reviews the rule, if the attorney general rejects the rule, the agency may resubmit it after taking corrective action. The resubmission must occur within 30 days of when the agency receives written notice of the disapproval. If the rule is again disapproved, the rule is withdrawn. An agency may resubmit at any time before the expiration of the 180-day period. If the agency withholds some of the proposed rule, it may not adopt the withheld portion without again following the procedures of sections 14.14 to 14.28, or 14.29 to 14.36.

The attorney general shall approve or disapprove the rule as to its legality and its form to the extent the form relates to legality, including the issue of substantial change, and determine whether the agency has the authority to adopt the rule and whether the record demonstrates a rational basis for the need for and reasonableness of the proposed rule within 14 days. If the rule is approved, the attorney general shall promptly file two copies of it in the office of the secretary of state. The secretary of state shall forward one copy of each rule to the revisor of statutes. If the rule is disapproved, the

attorney general shall state in writing the reasons and make recommendations to overcome the deficiencies, and the rule shall not be filed in the office of the secretary of state, nor published until the deficiencies have been overcome. The attorney general shall send a statement of reasons for disapproval of the rule to the agency, the chief administrative law judge, the legislative commission to review administrative rules, and to the revisor of statutes.

~~The attorney general shall assess an agency for the actual cost of processing rules under this section. The agency shall pay the attorney general's assessments using the procedures of section 8.15. Each agency shall include in its budget money to pay the attorney general's assessment. Receipts from the assessment must be deposited in the state treasury and credited to the general fund.~~

Sec. 12. Minnesota Statutes 1988, section 16A.127, subdivision 3, is amended to read:

Subd. 3. [REIMBURSEMENT.] (a) Under the plan, the commissioner shall make and record the reimbursement to the general fund of the statewide indirect costs attributable to an executive agency's nongeneral fund receipts for the last fiscal year. Unless the commissioner determines that agency indirect cost receipts are a reimbursement for general fund expenditures, the receipts are appropriated to the agency to pay administrative expenses. However, the commissioner may~~, for reasons of sound financial management,~~ waive ~~the~~ reimbursement under this subdivision for certain nongeneral fund receipts~~.~~ but only under the following circumstances:

(1) where regulations or law do not allow for the payment of indirect costs;

(2) where funds held by the state are held in trust funds other than pension trust funds, gift funds, endowment funds, debt service funds, and bond proceeds funds;

(3) where the funds are pass-through grant money;

(4) where receipts are collected for workshops, seminars, or conferences; or

(5) where the amount is less than $500.

The commissioner shall report all waivers in the next statewide indirect cost plan.

(b) There is annually appropriated from all direct appropriated nongeneral funds an amount sufficient to reimburse the general fund for statewide indirect costs.

Sec. 13. Minnesota Statutes 1988, section 16A.127, subdivision 8, is amended to read:

Subd. 8. [EXEMPTION.] This section does not apply to the community college system, state universities, or the state board of vocational technical education. ~~Except for federal funds, this section does not apply to the department of natural resources for agency indirect costs.~~

Sec. 14. Minnesota Statutes 1988, section 16B.28, subdivision 2, is amended to read:

Subd. 2. [AUTHORIZATION.] (a) The commissioner is the state agency designated to purchase, accept or dispose of federal surplus property for the state and for the benefit of any other governmental unit or nonprofit organization for any purpose authorized by state and federal law and in accordance with federal rules and regulations. Any governmental unit or nonprofit organization may designate the commissioner to purchase or accept surplus property for it upon mutually agreeable terms and conditions. The commissioner may acquire, accept, warehouse, and distribute surplus property until it is needed ~~and any expenses incurred in connection with any of these acts shall be paid from the materials distribution revolving fund~~.

(b) To dispose of surplus property or other property that is obsolete or unused that belongs to the state or any other governmental unit or nonprofit organization, the commissioner may transfer or sell it to a governmental unit or nonprofit organization or sell it to any other person. Federal surplus property that has been transferred to the state for donation to public agencies and nonprofit organizations must be transferred or sold in accordance with the plan developed under paragraph (d). ~~Expenses incurred in connection with the disposal of surplus property or other property that is obsolete or unused must be paid from the materials distribution revolving fund.~~ If the commissioner sells the property, the proceeds of the sale, minus any expenses of providing the service set by the commissioner, are appropriated to the governmental unit or nonprofit organization for whose account the sale was made, to be used and expended by the organization for the purposes it determines.

(c) The commissioner may centrally acquire, warehouse, and distribute supplies, materials, and equipment for governmental units or nonprofit organizations. Expenses incurred in connection with acquiring, warehousing, and distributing must be paid from the materials distribution revolving fund.

(d) The commissioner shall develop a detailed plan for disposal of donated federal property in conformance with state law and federal regulations. The plan must be submitted to the governor for certifi-

cation and submission to the federal administrator of general services.

Sec. 15. Minnesota Statutes 1989 Supplement, section 16B.28, subdivision 3, is amended to read:

Subd. 3. [~~REVOLVING FUND~~ DEPOSIT OF RECEIPTS.] (a) [CREATION.] The materials distribution revolving fund is a separate fund in the state treasury. All money relating to the resource recovery program established under section 115A.15, subdivision 1, and all money resulting from the acquisition, acceptance, warehousing, distribution, and public sale of surplus property, must be deposited in the general fund. All money resulting from the sale of centrally acquired, warehoused, and distributed supplies, materials, and equipment, and all money relating to the cooperative purchasing venture established under section 471.59 must be deposited ~~in the fund. Money paid~~ into the materials distribution revolving fund and is appropriated to the commissioner for the purposes of the programs and services referred to in this section.

(b) [~~TRANSFER OR SALE TO STATE AGENCY.~~] ~~When the state or an agency operating under a legislative appropriation obtains surplus property from the commissioner, the commissioner of finance must, at the commissioner's request, transfer the cost of the surplus property, including any expenses of acquiring, accepting, warehousing, and distributing the surplus property, from the appropriation of the state agency receiving the surplus property to the materials distribution revolving fund. The determination of the commissioner is final as to the cost of the surplus property to the state agency receiving the property.~~

~~(c)~~ [~~TRANSFER OR SALE TO OTHER GOVERNMENTAL UNITS OR NONPROFIT ORGANIZATIONS.~~] When any governmental unit or nonprofit organization other than a state agency receives surplus property, supplies, materials, or equipment from the commissioner, the governmental unit or nonprofit organization must reimburse the materials distribution revolving fund for the cost of the property, including the expenses of acquiring, accepting, warehousing, and distributing it, in an amount the commissioner sets. The commissioner may, however, require the governmental unit or nonprofit organization to deposit in advance in the materials distribution revolving fund the cost of the surplus property, supplies, materials, and equipment upon mutually agreeable terms and conditions. The commissioner may charge a fee to political subdivisions and nonprofit organizations to establish their eligibility for receiving the property and to pay for costs of storage and distribution.

Sec. 16. Minnesota Statutes 1989 Supplement, section 16B.48, subdivision 2, is amended to read:

Subd. 2. [PURPOSE OF FUNDS.] Money in the state treasury credited to the ~~general~~ administrative services revolving fund and money which is deposited in the fund is appropriated annually to the commissioner for the following purposes:

(1) to operate a central store and equipment service;

(2) to operate a central duplication and printing service;

(3) to purchase postage and related items and to refund postage deposits as necessary to operate the central mailing service;

(4) to operate a documents service as prescribed by section 16B.51;

(5) to provide advice and other services to political subdivisions for the management of their telecommunication systems;

(6) to provide services for the maintenance, operation, and upkeep of buildings and grounds managed by the commissioner of administration;

(7) to provide analytical, statistical, and organizational development services to state agencies, local units of government, metropolitan and regional agencies, and school districts;

(8) to provide capitol security services through the department of public safety; and

(9) to perform services for any other agency. Money shall be expended for this purpose only when directed by the governor. The agency receiving the services shall reimburse the fund for their cost, and the commissioner shall make the appropriate transfers when requested. The term "services" as used in this clause means compensation paid officers and employees of the state government; supplies, materials, equipment, and other articles and things used by or furnished to an agency; and utility services, and other services for the maintenance, operation, and upkeep of buildings and offices of the state government.

Sec. 17. Minnesota Statutes 1988, section 16B.48, subdivision 4, is amended to read:

Subd. 4. [REIMBURSEMENTS.] Except as specifically provided otherwise by law, each agency shall reimburse the computer services and ~~general~~ administrative services revolving funds for the cost of all services, supplies, materials, labor and depreciation of equipment including reasonable overhead costs which the commissioner is authorized and directed to furnish an agency. The cost of all publications or other materials produced by the commissioner and financed from the ~~general~~ administrative services revolving fund

shall include reasonable overhead costs. The commissioner of finance shall make appropriate transfers to the revolving funds described in this section when requested by the commissioner of administration. The commissioner of administration may make allotments, encumbrances, and, with the approval of the commissioner of finance, disbursements in anticipation of such transfers. In addition, the commissioner of administration, with the approval of the commissioner of finance, may require an agency to make advance payments to the revolving funds in this section sufficient to cover the agency's estimated obligation for a period of at least 60 days. All such reimbursements and other money received by the commissioner of administration under this section shall be deposited in the appropriate revolving fund. Any earnings remaining in the fund established to account for the documents service prescribed by section 16B.51 at the end of each fiscal year not otherwise needed for present or future operations, as determined by the commissioners of administration and finance, shall be transferred to the general fund.

Sec. 18. Minnesota Statutes 1988, section 16B.48, subdivision 5, is amended to read:

Subd. 5. [LIQUIDATION.] If the computer services or ~~general~~ administrative services revolving fund is abolished or liquidated, the total net profit from the operation of each fund shall be distributed to the various funds from which purchases were made. The amount to be distributed to each fund shall bear to such net profit the same ratio as the total purchases from each fund bears to the total purchases from all the funds during such period of time as shall fairly reflect the amount of net profit each fund is entitled to receive under the distribution required by this section.

Sec. 19. Minnesota Statutes 1988, section 16B.51, subdivision 2, is amended to read:

Subd. 2. [PRESCRIBE FEES.] The commissioner may prescribe fees to be charged for services rendered by the state or an agency in furnishing to those who request them certified copies of records or other documents, certifying that records or documents do not exist and furnishing other reports, publications, or related material which is requested. The fees, unless otherwise prescribed by law, may be fixed at the market rate. The commissioner of finance is authorized to approve the prescribed rates for the purpose of assuring that they, in total, will result in receipts greater than costs in the fund. Fees prescribed under this subdivision are deposited in the state treasury by the collecting agency and credited to the ~~general~~ administrative services revolving fund. Nothing in this subdivision permits the commissioner of administration to furnish any service which is now prohibited or unauthorized by law.

Sec. 20. Minnesota Statutes 1988, section 16B.53, subdivision 3, is amended to read:

Subd. 3. [REVOLVING ~~FUND~~ ACCOUNT.] Money collected by the commissioner under this section must be deposited in the central ~~services~~ mail revolving ~~fund~~ account in the state treasury. Money in that ~~fund~~ account is annually appropriated to the commissioner for the purposes of carrying out this section.

Sec. 21. Minnesota Statutes 1988, section 16B.85, subdivision 2, is amended to read:

Subd. 2. [RISK MANAGEMENT INSURANCE FUND.] (a) All state agencies may, in cooperation with the commissioner, participate in insurance programs and other funding alternative programs provided by the risk management insurance fund.

(b) When an agency or agencies enter into an insurance or self-insurance program, each agency shall contribute the appropriate share of its costs as determined by the commissioner.

(c) The money in the fund to pay claims arising from state activities and for administrative costs, including costs for the adjustment and defense of the claims, is appropriated to the commissioner.

(d) Interest earned from the investment of money in the fund shall be credited to the fund and be available to the commissioner for the expenditures authorized in this subdivision.

(e) The fund is exempt from the provisions of section 16A.15, subdivision 1. In the event that proceeds in the fund are insufficient to pay outstanding claims and associated administrative costs, the commissioner, in consultation with the commissioner of finance, may assess state agencies participating in the fund amounts sufficient to pay the costs. The commissioner shall determine the proportionate share of the assessment of each agency.

Sec. 22. Minnesota Statutes 1988, section 16B.85, subdivision 3, is amended to read:

Subd. 3. [RESPONSIBILITIES.] The commissioner shall:

(1) review the state's exposure to various types of potential risks in consultation with affected agencies and advise state agencies as to the reduction of risk and fiscal management of those losses;

(2) be responsible for statewide risk management coordination, evaluation of funding and insuring alternatives, and the approval of all insurance purchases in consultation with affected agencies;

(3) identify ways to eliminate redundant efforts in the management of state risk management and insurance programs;

(4) maintain the state risk management information system; and

(5) administer and maintain the state risk management insurance fund.

Sec. 23. Minnesota Statutes 1988, section 16B.85, subdivision 5, is amended to read:

Subd. 5. [RISK MANAGEMENT INSURANCE FUND NOT CONSIDERED INSURANCE.] A state agency, including an entity defined as a part of the state in section 3.732, subdivision 1, clause (1), may procure insurance against liability of the agency and its employees for damages resulting from the torts of the agency and its employees. The procurement of this insurance constitutes a waiver of the limits or governmental liability to the extent of the liability stated in the policy but has no effect on the liability of the agency and its employees beyond the coverage as provided. Procurement of commercial insurance, participation in the risk management insurance fund under this section, or provisions of an individual self-insurance plan with or without a reserve fund or reinsurance does not constitute a waiver of any of the governmental immunities or exclusions under section 3.736.

Sec. 24. Minnesota Statutes 1988, section 17.102, subdivision 4, is amended to read:

Subd. 4. [MINNESOTA GROWN ~~ACCOUNT.~~] ~~The Minnesota grown account is established as an account in the state treasury.~~ License fee receipts and penalties collected under this section must be deposited in the state treasury and credited to the ~~Minnesota grown account. The money in the account is continuously appropriated to the commissioner to implement and enforce this section and to promote the Minnesota grown logo and labeling~~ general fund.

Sec. 25. Minnesota Statutes 1988, section 40A.151, is amended to read:

40A.151 [MINNESOTA CONSERVATION ~~FUND.~~]

Subdivision 1. [~~ESTABLISHMENT~~ MONEY FROM COUNTIES.] ~~The Minnesota conservation fund is established as an account in the state treasury.~~ Money from counties under section 40A.152 must be deposited in the state treasury and credited to the ~~Minnesota conservation fund account~~ general fund.

Subd. 2. [~~USE OF FUND~~ REIMBURSEMENT OF TAXING JURISDICTIONS.] ~~Money in the fund is annually~~ There is appro-

priated to the commissioner of revenue an amount from the general fund necessary to reimburse taxing jurisdictions as provided in sections 273.119 and 473H.10.

Sec. 26. Minnesota Statutes 1988, section 40A.152, subdivision 3, is amended to read:

Subd. 3. [TRANSFER TO STATE FUND.] Money in the county conservation account that is not encumbered by the county within one year of deposit in the account must be transferred to the commissioner of revenue for deposit in the ~~Minnesota conservation~~ general fund.

Sec. 27. Minnesota Statutes 1988, section 41A.04, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS.] (a) Any applicant may file a written application with the state commissioner of trade and economic development on behalf of the board, to be considered by the board, for a guaranty by the state of a portion of a loan or for issuance of bonds for an agricultural resource project. In general, the application must provide information similar to that required by an investment banking or other financial institution considering such a project for debt financing. Specifically, each application must include in brief but precise form the following information, as supplied by the applicant, the borrower, or the lender:

(1) a description of the scope, nature, extent, and location of the proposed project, including the identity of the borrower and a preliminary or conceptual design of the project;

(2) a description of the technology to be used in the project and the prior construction and operating experience of the borrower with such projects;

(3) a detailed estimate of the items comprising the total cost of the project, including escalation and contingencies, with explanation of the assumptions underlying the estimate;

(4) a general description of the financial plan for the project, including the mortgage and security interests to be granted for the security of the guaranteed loan or the bonds, and all sources of equity, grants, or contributions or of borrowing the repayment of which is not to be secured by the mortgage and security interests, or, if so secured, is expressly subordinated to the guaranteed loan;

(5) an environmental report analyzing potential environmental effects of the project, any necessary or proposed mitigation measures, and other relevant data available to the applicant to enable the board to make an environmental assessment;

(6) a list of applications to be filed and estimated dates of approvals of permits required by federal, state, and local government agencies as conditions for construction and commencement of operation of the project;

(7) an estimated construction schedule;

(8) an analysis of the estimated cost of production of and market for the product, including economic factors justifying the analysis and proposed and actual marketing contracts, letters of intent, and contracts for the supply of feedstock;

(9) a description of the management experience of the borrower in organizing and undertaking similar projects;

(10) pro forma cash flow statements for the first five years of project operation including income statements and balance sheets;

(11) a description of the borrower's organization and, where applicable, a copy of its articles of incorporation or partnership agreement and bylaws;

(12) the estimated amount of the loan or bonds and percentage of the guaranty requested, the proposed repayment schedule, and other terms and conditions and security provisions of the loan;

(13) an estimate of the amounts and times of receipt of guaranty fees, sales and use taxes, property tax increments, and any other governmental charges which may be available for the support of the agricultural development ~~fund~~ account as a result of the construction of the project, with an analysis of the assumptions on which the estimate is based;

(14) a copy of any lending commitment issued by a lender to the borrower;

(15) a statement from the lender, if identified, as to its general experience in financing and servicing debt incurred for projects of the size and general type of the project, and its proposed servicing and monitoring plan; and

(16) additional information required by the board.

(b) If the application is made by an applicant other than the county or rural development finance authority and tax increment financing is to be used for the project, the application must include a copy of a resolution adopted by the governing body of the county or rural development finance authority in which the project is located. The resolution must authorize the use of tax increment financing for the project as required by section 41A.06, subdivision 5.

Sec. 28. Minnesota Statutes 1989 Supplement, section 41A.05, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT OF ACCOUNT.] The Minnesota agricultural and economic development account is established in the special revenue fund and may be invested ~~separately from all other funds of the state~~ by the state board of investment. All money appropriated to the account, and all guaranty fees, retail sales taxes, property tax increments, and other money from any source ~~which~~ may be credited to the account and are appropriated to the board to carry out the purposes of this chapter. The board may maintain or establish within the Minnesota agricultural and economic development account reserve accounts, project accounts, trustee accounts, special guaranty fund accounts, or other restrictions it determines necessary or appropriate. The board may enter into pledge and escrow agreements or indentures of trust with a trustee for the purpose of maintaining the accounts.

Sec. 29. Minnesota Statutes 1988, section 41A.05, subdivision 2, is amended to read:

Subd. 2. [ISSUANCE OF BONDS.] (a) The board by resolution may exercise the powers of a rural development authority under sections 469.142 to 469.151 and the powers of a municipality under sections 469.152 to 469.165 for the purposes of financing one or more projects, including the issuance of bonds and the application of the bond proceeds and investment income pursuant to a lease, loan, loan guaranty, loan participation, or other agreement. The bonds must be issued, sold, and secured on the terms and conditions and in the manner determined by resolution of the board. Section 16A.80 does not apply to the bonds. Notwithstanding subdivision 1, a reserve established for the bonds provided by the borrower, including out of bond proceeds, may be deposited and held in a separate account in the ~~Minnesota agricultural and economic development~~ special revenue fund and applied to the last installments of principal or interest on the bonds, subject to the reserves being withdrawn for any purpose permitted by subdivision 1. The board may by resolution or indenture pledge any or all amounts in the fund, including any reserves and investment income on amounts in the fund, to secure the payment of principal and interest on any or all series of bonds, upon the terms and conditions as provided in the resolution or indenture. To the extent the board deems necessary or desirable to prevent interest on bonds from becoming subject to federal income taxation, (1) the amounts in the fund shall be invested in obligations or securities with restricted yields and (2) the investment income on the amounts are released from the pledge securing the bonds or loan guaranty and appropriately applied to prevent taxation.

(b) Bonds issued pursuant to this chapter are not general obligations of the state or the board. The full faith and credit and taxing powers of the state and the board are not and may not be pledged for

the payment of the bonds. No person may compel the levy of a tax for the payment or compel the appropriation of money of the state or the board for the payment of the bonds, except as specifically provided in this chapter.

(c) For purposes of sections 474A.01 to 474A.21, the board is a local issuer and may apply for allocations of authority to issue private activity obligations and may enter into an agreement for the issuance of obligations by another issuer.

Sec. 30. Minnesota Statutes 1988, section 41A.051, is amended to read:

41A.051 [AUTHORITY TO USE AGRICULTURAL AND ECONOMIC DEVELOPMENT ~~FUND~~ ACCOUNT.]

The Minnesota agricultural and economic development board may use up to $500,000 of the money in the agricultural and economic development ~~fund~~ account created in section 41A.05, subdivision 1, to make a grant to an organization that is engaged, or is planning to be engaged, in the purchase, packaging, insurance, or sale of loans, securities, or other obligations that are secured by loans primarily made for economic development purposes. The money authorized by this section must be used to establish a credit reserve to support a secondary market for economic development, job creation, redevelopment, or community revitalization loans. In the selection of the organization to receive the grant, the Minnesota agricultural and economic development board must consider the potential for raising private money to supplement the money of the Minnesota agricultural and economic development ~~fund~~ account.

Sec. 31. Minnesota Statutes 1988, section 41A.066, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY TO MAKE LOANS.] The Minnesota agricultural and economic development board may make, purchase, or participate in making or purchasing hazardous waste processing facility loans in any amount, and may enter into commitments therefor. A private person proposing to develop and operate a hazardous waste processing facility is eligible to apply for a loan under this subdivision. Applications must be made to the Minnesota agricultural and economic development board. The Minnesota agricultural and economic development board shall forward the applications to the waste management board for review pursuant to section 115A.162. If the waste management board does not certify the application, the Minnesota agricultural and economic development board may not approve the application nor make the loan. If the waste management board certifies the application, the Minnesota agricultural and economic development board shall approve the application and make the loan if money is available for it and if the Minnesota agricultural and economic development board finds that:

(1) development and operation of the facility as proposed by the applicant is economically feasible;

(2) there is a reasonable expectation that the principal and interest on the loan will be fully repaid; and

(3) the facility is unlikely to be developed and operated without a loan from the Minnesota agricultural and economic development board.

The Minnesota agricultural and economic development board and the waste management board shall establish coordinated procedures for loan application, certification, and approval.

The Minnesota agricultural and economic development board may use the Minnesota agricultural and economic development ~~fund~~ account to provide financial assistance to any person whose hazardous waste processing facility loan application has been certified by the waste management board and approved by the Minnesota agricultural and economic development board, and for this purpose may exercise the powers granted in Minnesota Statutes 1986, section 116M.06, subdivision 2, with respect to any loans made or bonds issued under this subdivision regardless of whether the applicant is an eligible small business.

The Minnesota agricultural and economic development board may issue bonds and notes in the aggregate principal amount of $10,000,000 for the purpose of making, purchasing, or participating in making or purchasing hazardous waste processing facility loans.

The Minnesota agricultural and economic development board may adopt emergency rules under sections 14.29 to 14.36 to implement the loan program under this subdivision. Emergency rules adopted by the Minnesota agricultural and economic development board remain in effect for 360 days or until permanent rules are adopted, whichever occurs first.

Sec. 32. Minnesota Statutes 1988, section 84.154, subdivision 5, is amended to read:

Subd. 5. [SPECIAL ~~FUNDS~~ ACCOUNTS CREATED.] (1) There is hereby created a special ~~fund~~ account to be known as the Lac qui Parle and Big Stone Lake water control projects ~~fund~~ account, in which shall be placed all moneys heretofore or hereafter received for any lands or other property acquired by the state for the Lac qui Parle water control project and heretofore or hereafter sold or leased to the United States pursuant to Laws 1941, chapter 518, or otherwise, also all money heretofore or hereafter received from any source for the sale or lease under any other law of any lands or other property acquired by the state for either the Lac qui Parle or Big

Stone Lake water control project, except as otherwise provided in clause (2).

(2) All moneys in excess of $2,500 remaining June 30, 1943, and at the end of each fiscal year thereafter in the Lac qui Parle revolving fund designated by Laws 1941, chapter 142, shall be transferred to said projects ~~fund~~ account. When all the property authorized to be sold under said chapter has been sold and the proceeds have been received the executive council shall notify the commissioner of finance thereof. Thereupon the balance remaining in said revolving fund shall be transferred to ~~said projects~~ the general fund and said revolving fund shall be abolished.

~~(3) All moneys in said projects fund account are hereby appropriated to the commissioner of conservation for the purposes of Laws 1943, chapter 476, to remain available therefor until expended hereunder or otherwise expressly disposed of by law; provided, that all expenditures hereunder shall be subject to the approval of the governor; provided, that the governor shall not approve any such expenditure without first consulting the legislative advisory commission and securing their recommendation, which shall be advisory only. Failure or refusal of the commission to make a recommendation promptly shall be deemed a negative recommendation.~~

Sec. 33. Minnesota Statutes 1989 Supplement, section 84A.51, subdivision 2, is amended to read:

Subd. 2. [FUNDS TRANSFERRED; APPROPRIATED.] Money in any fund established under section 84A.03, 84A.22, or 84A.32, subdivision 2, is transferred to the ~~consolidated account~~ general fund, except as provided in subdivision 3. ~~The~~ Money ~~in the consolidated account, or as much of it as necessary,~~ is appropriated for the purposes of sections 84A.52 and 84A.53. Any remaining balance is transferred to the general fund.

Sec. 34. Minnesota Statutes 1988, section 84A.53, is amended to read:

84A.53 [RECEIPTS NOT CREDITED TO CONSOLIDATED FUND.]

Subdivision 1. [TAX LEVIES.] Money collected from tax levies made before April 19, 1949, under this chapter, must be deposited in the state treasury to the credit of the general fund. Upon completion of the payment provided for in section 84A.52, the commissioner of finance shall make the appropriate entries. ~~Money referred to in this section must not be used for the payments under section 84A.52 until all other money in the consolidated fund has been spent.~~

Subd. 2. [LAND SALES.] The portion of the money received from the sale of tax-forfeited lands that are held by the state under section 84A.07, 84A.26, or 84A.36, that would not be paid to the counties ~~if all the sale proceeds were deposited in the consolidated conservation fund,~~ must be deposited in the ~~land acquisition account~~ general fund. The remaining amount must be paid to the counties under section 84A.51 as if all the sale proceeds were deposited in the ~~consolidated conservation~~ general fund.

Sec. 35. Minnesota Statutes 1988, section 84A.54, is amended to read:

84A.54 [COLLECTIONS DEPOSITED IN CONSOLIDATED FUND.]

Except as provided in section 84A.53, money received after April 18, 1949, under this chapter must be deposited in the ~~consolidated~~ general fund.

Sec. 36. Minnesota Statutes 1989 Supplement, section 85.205, is amended to read:

85.205 [RECEPTACLES FOR RECYCLING.]

The commissioner of natural resources must provide recycling conveniences at all state parks.

(a) State park managers must provide and maintain adequate receptacles for collection of food containers for recycling in all state parks.

(b) Appropriate recycling information must be available to all state park visitors.

(c) State park managers must post a notice of recycling availability at appropriate locations within each state park.

(d) State park managers must where practicable recycle the gathered recyclable materials, provide for the local unit of government to recycle the gathered materials, or contract with private nonprofit groups for recycling.

(e) Money collected by state park managers for recycling must be deposited in the state treasury and credited to the ~~state park maintenance and operation account~~ general fund.

Sec. 37. Minnesota Statutes 1989 Supplement, section 89.035, is amended to read:

89.035 [INCOME FROM STATE FOREST LANDS, DISPOSITION.]

All income which may be received from lands acquired by the state heretofore or hereafter for state forest purposes by gift, purchase or eminent domain and tax-forfeited lands to which the county has relinquished its equity to the state for state forest purposes shall be paid into the state treasury and credited to the ~~state forest account except where the conveyance to and acceptance by the state of lands for state forest purposes provides for other disposition of receipts~~ general fund.

Sec. 38. Minnesota Statutes 1989 Supplement, section 89.036, is amended to read:

89.036 [FUNDS APPORTIONED TO COUNTY.]

The state of Minnesota shall annually on July 1 or as soon thereafter as may be practical, pay from the ~~state forest account~~ general fund to each county, in which there now are, or hereafter shall be situated, any state forests, a sum equal to 50 percent of the gross receipts of such state forests located within such county, which have been received during the preceding fiscal year and credited to the ~~state forest account~~ general fund, which payment shall be received and distributed by the county treasurer, as if such payment had been received as taxes on such lands payable in the current year.

~~After making such payment to the county, the balance of said funds in the state forest account on July 1 shall be transferred and credited to the general fund.~~

The commissioner of finance shall annually draw warrants upon the state treasurer for the proper amounts in favor of the respective counties entitled thereto and the state treasurer shall pay such warrants from the ~~state forest account~~ general fund.

The commissioner of finance and the state treasurer shall devise, adopt, and use the accounting methods they may deem proper, and to do any and all other things reasonably necessary in carrying out this section.

There is appropriated to the counties entitled to such payment, from the ~~state forest account~~ general fund in the state treasury, an amount sufficient to make the payments specified in this section.

Sec. 39. Minnesota Statutes 1988, section 89.37, subdivision 4, is amended to read:

Subd. 4. [PROCEEDS OF SALE.] All moneys received in payment for tree planting stock supplied under this section shall be deposited

in the state treasury and credited to the forest ~~management fund pursuant to section 89.04~~ nursery account and are available to the commissioner of natural resources for the purposes of sections 89.35 to 89.37.

Sec. 40. Minnesota Statutes 1988, section 89.58, is amended to read:

89.58 [FOREST PEST CONTROL ~~FUND~~ ACCOUNT.]

All money collected under the provisions of sections 89.51 to 89.61 together with such money as may be appropriated by the legislature or allocated by the legislative advisory commission for the purposes of sections 89.51 to 89.61, and such money as may be contributed or paid by the federal government, or any other public or private agency, organization or individual, shall be deposited in the state treasury, to the credit of the forest pest control ~~fund~~ account, which ~~fund~~ account is hereby created, and any moneys therein are appropriated to the commissioner for use in carrying out the purposes hereof.

Sec. 41. Minnesota Statutes 1988, section 115A.15, subdivision 6, is amended to read:

Subd. 6. [USE OF ~~MATERIALS DISTRIBUTION REVOLVING FUND~~ FUNDS.] All funds appropriated by the state for the resource recovery program, all revenues resulting from the sale of recyclable and reusable commodities made available for sale as a result of the resource recovery program and all reimbursements to the commissioner of expenses incurred by the commissioner in developing and administering resource recovery systems for state agencies, governmental units, and nonprofit organizations must be deposited in the ~~materials distribution revolving fund created in section 16B.28. The fund may be used for all activities associated with the program including payment of administrative and operating costs~~ general fund. The commissioner shall determine the waste disposal cost savings associated with recycling and reuse activities, collect those savings from the account responsible for disposing of wastes produced in state buildings, and credit the savings to the ~~materials distribution revolving~~ general fund.

Sec. 42. Minnesota Statutes 1989 Supplement, section 116J.617, subdivision 5, is amended to read:

Subd. 5. [TOURISM LOAN ACCOUNT.] The tourism loan account is created in the special revenue fund. The fund consists of money appropriated or transferred to the account ~~and interest~~, repayment of principal and interest on loans collected through the tourism revolving loan program, and gifts, donations, and bequests made to the account. Money in the account is appropriated to the commissioner for purposes of this section. Fees collected through the

tourism revolving loan program must be credited to the general fund.

Sec. 43. Minnesota Statutes 1989 Supplement, section 116J.955, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] The rural rehabilitation account is in the special revenue fund. The money transferred to the state as a result of liquidating the rural rehabilitation corporation trust, and money derived from transfer of the trust to the state, must be credited to the rural rehabilitation account. The principal amount of the rural rehabilitation account must be invested by the state investment board. The income attributable to investment of the principal is appropriated to the commissioner for the purposes of Laws 1987, chapter 386, article 1, section 6, subdivision 2.

Sec. 44. Minnesota Statutes 1989 Supplement, section 116J.9673, subdivision 4, is amended to read:

Subd. 4. [WORKING CAPITAL ACCOUNT.] An export finance authority working capital account is created as a special account in the state treasury. All premiums ~~and interest~~ collected under subdivision 3, clause (6), must be deposited into this account. Fees and earnings collected must be credited to the general fund. ~~The balance in the account may exceed $1,000,000 through accumulated earnings.~~ Money in the account, including ~~interest earned and~~ appropriations made by the legislature for the purposes of this section, is appropriated annually to the finance authority for the purposes of this section. The balance in the account may decline below $1,000,000 as required to pay defaults on guaranteed loans.

Sec. 45. Minnesota Statutes 1988, section 121.496, subdivision 3, is amended to read:

Subd. 3. [OPEN APPROPRIATION.] The fees charged and money accepted by the department under subdivision 2 shall be deposited in the state treasury and credited to ~~a special account. Money in the account is appropriated to the department to defray the costs of providing the information services~~ the general fund.

Sec. 46. Minnesota Statutes 1988, section 126.115, subdivision 3, is amended to read:

Subd. 3. [APPROPRIATION.] ~~All funds in the motorcycle safety fund created by section 171.06, subdivision 2a, are hereby annually appropriated to the commissioner of public safety to carry out the purposes of subdivisions 1 and 2.~~ The commissioner of public safety may make grants from ~~the fund~~ funds directly appropriated to the commissioner of education at such times and in such amounts as the commissioner deems necessary to carry out the purposes of subdi-

visions 1 and 2. Not more than five percent of the funds so appropriated shall be expended to defray the administrative costs of carrying out the purposes of subdivisions 1 and 2, and not more than 60 percent of the money so appropriated shall be expended for the combined purpose of training and coordinating the activities of motorcycle safety instructors and making reimbursements to schools and other approved organizations.

Sec. 47. Minnesota Statutes 1988, section 144.226, subdivision 3, is amended to read:

Subd. 3. [BIRTH CERTIFICATE COPY SURCHARGE.] In addition to any fee prescribed under subdivision 1, there shall be a surcharge of $3 for each certified copy of a birth certificate. The local or state registrar shall forward this amount to the commissioner of finance for deposit into the ~~account for the children's trust fund for the prevention of child abuse established under section 299A.22~~ general fund. This surcharge shall not be charged under those circumstances in which no fee for a certified copy of a birth certificate is permitted under subdivision 1, paragraph (a). Upon certification by the commissioner of finance that the assets in that fund exceed $20,000,000, this surcharge shall be discontinued.

Sec. 48. Minnesota Statutes 1988, section 144.8093, subdivision 2, is amended to read:

Subd. 2. [ESTABLISHMENT AND PURPOSE.] In order to develop, maintain, and improve regional emergency medical services systems, the department of health shall establish an emergency medical services system ~~fund. The fund~~ Funds directly appropriated to the department shall be used for the general purposes of promoting systematic, cost-effective delivery of emergency medical care throughout the state; identifying common local, regional, and state emergency medical system needs and providing assistance in addressing those needs; undertaking special projects of statewide significance that will enhance the provision of emergency medical care in Minnesota; providing for public education about emergency medical care; promoting the exchange of emergency medical care information; ensuring the ongoing coordination of regional emergency medical services systems; and establishing and maintaining training standards to ensure consistent quality of emergency medical services throughout the state.

Sec. 49. Minnesota Statutes 1988, section 144.8093, subdivision 3, is amended to read:

Subd. 3. [USE AND RESTRICTIONS.] Designated regional emergency medical services systems may use emergency medical services system funds to support local and regional emergency medical services as determined within the region, with particular emphasis given to supporting and improving emergency trauma and cardiac

care and training. No part of a region's share of ~~the fund~~ funding may be used to directly subsidize any ambulance service operations or rescue service operations or to purchase any vehicles or parts of vehicles for an ambulance service or a rescue service.

Sec. 50. Minnesota Statutes 1988, section 144.8093, subdivision 4, is amended to read:

Subd. 4. [DISTRIBUTION.] ~~Money from the fund shall be~~ Appropriations made by law to the department for emergency medical services shall be distributed according to this subdivision. Eighty percent of the ~~fund~~ appropriation shall be distributed annually on a contract for services basis with each of the eight regional emergency medical services systems designated by the commissioner of health. The systems shall be governed by a body consisting of appointed representatives from each of the counties in that region and shall also include representatives from emergency medical services organizations. The commissioner shall contract with a regional entity only if the contract proposal satisfactorily addresses proposed emergency medical services activities in the following areas: personnel training, transportation coordination, public safety agency cooperation, communications systems maintenance and development, public involvement, health care facilities involvement, and system management. If each of the regional emergency medical services systems submits a satisfactory contract proposal, then this part of the ~~fund~~ appropriation shall be distributed evenly among the regions. If one or more of the regions does not contract for the full amount of its even share or if its proposal is unsatisfactory, then the commissioner may reallocate the unused funds to the remaining regions on a pro rata basis. Six and two-thirds percent of the ~~fund~~ appropriation shall be used by the commissioner to support regionwide reporting systems and to provide other regional administration and technical assistance. Thirteen and one-third percent shall be distributed by the commissioner as discretionary grants for special emergency medical services projects with potential statewide significance.

Sec. 51. Minnesota Statutes 1988, section 144A.33, subdivision 4, is amended to read:

Subd. 4. [~~SPECIAL ACCOUNT~~ MONEY COLLECTED.] All money collected by the commissioner of health under subdivision 3 must be deposited in the state treasury and credited to ~~a special account called the nursing home advisory council fund. Money credited to the fund is appropriated to the Minnesota board on aging for the purposes of this section~~ the general fund.

Sec. 52. Minnesota Statutes 1988, section 157.045, is amended to read:

157.045 [INCREASE IN FEES.]

For licenses issued for 1989 and succeeding years, the commissioner of health shall increase license fees for facilities licensed under this chapter and chapter 327 to a level sufficient to recover all expenses related to the licensing, inspection, and enforcement activities prescribed in those chapters. In calculating the fee increase, the commissioner shall include the salaries and expenses of 5.5 new positions required to meet the inspection frequency prescribed in section 157.04. ~~Fees collected must be deposited in the special revenue account.~~

Sec. 53. Minnesota Statutes 1989 Supplement, section 169.686, subdivision 3, is amended to read:

Subd. 3. [APPROPRIATION; ~~SPECIAL ACCOUNT~~.] The fines collected for a violation of subdivision 1 must be deposited in the state treasury and credited to ~~a special account to be known as the emergency medical services relief account~~ the general fund. ~~Money in the account~~ Funds directly appropriated for emergency medical services shall be distributed to the eight regional emergency medical services systems designated by the commissioner under section 144.8093, for personnel education and training, equipment and vehicle purchases, and operational expenses of emergency life support transportation services. The board of directors of each emergency medical services region shall establish criteria for funding.

Sec. 54. Minnesota Statutes 1988, section 171.06, subdivision 2a, is amended to read:

Subd. 2a. [FEE INCREASED.] The fee for any duplicate drivers license which is obtained for the purpose of adding a two-wheeled vehicle endorsement is increased by $7.50 for each first such duplicate license and $6 for each renewal thereof. The additional fee shall be paid into the state treasury and credited to the ~~motorcycle safety fund which is hereby created~~ general fund; provided that any fee receipts in excess of $500,000 in a fiscal year shall be credited 90 percent to the trunk highway fund and ten percent to the general fund, as provided in section 171.26.

~~All application forms prepared by the commissioner for two-wheeled vehicle endorsements shall clearly contain the information that of the total fee charged for the endorsement, $6 is dedicated to the motorcycle safety fund.~~

Sec. 55. Minnesota Statutes 1988, section 176B.02, is amended to read:

176B.02 [PEACE OFFICERS BENEFIT ~~FUND~~ ACCOUNT.]

There is hereby created in the state treasury an account to be known as peace officers benefit ~~fund~~ account. Funds in the peace

officers benefit ~~fund~~ account shall consist of money appropriated to that ~~fund~~ account. The administrator of the ~~fund~~ account is the commissioner of employee relations, who shall follow the procedures specified in section 176.541, subdivisions 2, 3, and 4.

Sec. 56. Minnesota Statutes 1988, section 176B.04, is amended to read:

176B.04 [DISBURSEMENTS.]

Upon certification to the governor by the administrator of the ~~fund~~ account that a peace officer employed by a state or governmental subdivision within this state has been killed in the line of duty, leaving a spouse or one or more eligible dependents, the commissioner of finance shall, subject to the approval of the workers' compensation court of appeals, pay $100,000 as follows:

(a) if there is no dependent child, to the spouse;

(b) if there is no spouse, to the dependent child or children in equal shares;

(c) if there are both a spouse and one or more dependent children, one-half to the spouse and one-half to the child or children, in equal shares;

(d) if there is no surviving spouse or dependent child or children, to the parent or parents dependent for support on the decedent, in equal shares;

(e) if there is no surviving spouse or dependent child, children or parent, then there shall be no payment made from the peace officers benefit ~~fund~~ account.

"Killed in the line of duty" does not include deaths from natural causes or deaths that occur during employment for a private employer other than an independent nonprofit firefighting corporation.

Sec. 57. Minnesota Statutes 1988, section 181.953, is amended to read:

181.953 [RELIABILITY AND FAIRNESS SAFEGUARDS.]

Subdivision 1. [USE OF LICENSED LABORATORY REQUIRED.] (a) An employer who requests or requires an employee or job applicant to undergo drug or alcohol testing shall use the services of a testing laboratory licensed by the commissioner under this subdivision, except that, a breath test as an initial screening test for alcohol may be performed by a medical clinic, hospital, or

other medical facility not owned or operated by the employer that does not meet the licensing requirements of this section, provided that the breath test meets the standards or requirements adopted by rule under paragraph (b), except clause (1), and any confirmatory test is performed according to the requirements of sections 181.950 to 181.957 and the rules adopted thereunder.

(b) The commissioner shall adopt rules by January 1, 1988, governing:

(1) standards for licensing, suspension, and revocation of a license;

(2) body component samples that are appropriate for drug and alcohol testing;

(3) procedures for taking a sample that ensure privacy to employees and job applicants to the extent practicable, consistent with preventing tampering with the sample;

(4) methods of analysis and procedures to ensure reliable drug and alcohol testing results, including standards for initial screening tests and confirmatory tests;

(5) threshold detection levels for drugs, alcohol, or their metabolites for purposes of determining a positive test result;

(6) chain-of-custody procedures to ensure proper identification, labeling, and handling of the samples being tested; and

(7) retention and storage procedures to ensure reliable results on confirmatory tests or confirmatory retests of original samples.

(c) With respect to paragraph (b), clause (4), the rules must allow testing for alcohol by breath test as an initial screening test, provided that the results are confirmed by blood analysis.

(d) The commissioner shall also grant licenses to laboratories conducting drug and alcohol testing that are located in another state, provided that either: (1) the laboratory is licensed by the other state or by a federal agency to conduct drug and alcohol testing and the other state's or federal agency's rules governing standards, methods, and procedures meet or exceed those adopted under this subdivision; or (2) the laboratory has agreed in writing with the commissioner to comply with the rules adopted under this subdivision. A laboratory licensed under this paragraph must also, as a condition of obtaining and retaining a license, agree in writing with the commissioner to comply with the other requirements for laboratories set forth in sections 181.950 to 181.954 and to be subject to the remedies set forth in section 181.956.

(e) The commissioner shall charge laboratories an annual license fee. The fee may vary depending on the number of Minnesota employee samples tested annually at a laboratory. Fee receipts must be deposited in the state treasury and credited to ~~a special account and are appropriated to the commissioner to administer this subdivision and to purchase or lease laboratory equipment as accumulated fee receipts make equipment purchases or leases possible. Notwithstanding section 144.122, the commissioner shall set the license fee at an amount so that the total fees collected will recover the costs of administering this subdivision and allow an additional amount to be credited to the special account each year sufficient to allow the commissioner to obtain appropriate laboratory equipment for use in administering this subdivision by July 1, 1994~~ the general fund.

Sec. 58. Minnesota Statutes 1989 Supplement, section 183.357, subdivision 4, is amended to read:

Subd. 4. [DEPOSIT OF FEES.] Fees received under this section must be deposited in the state treasury and credited to the ~~special revenue~~ general fund.

Sec. 59. Minnesota Statutes 1988, section 183.545, subdivision 9, is amended to read:

Subd. 9. [DEPOSIT OF FEES.] Fees received under this section and section 183.57 must be deposited in the state treasury and credited to the ~~special revenue~~ general fund.

Sec. 60. Minnesota Statutes 1988, section 192.85, is amended to read:

192.85 [CIVIL OFFICERS SHALL BE GUILTY OF MISDEMEANORS FOR REFUSAL TO ACT.]

Any sheriff, constable, jailer, marshal or other civil officer named in the military code, who shall neglect or refuse to obey, execute or return the lawful warrant or other process of a military court, or make a false return thereon, shall be guilty of a misdemeanor and in addition to the penalties attaching thereto, shall forfeit $50 for each offense or neglect of duty, the same to be recovered in civil action against such officer and the official sureties by the adjutant general for the benefit of the ~~maintenance fund of the national guard~~ general fund.

Sec. 61. Minnesota Statutes 1988, section 196.054, subdivision 2, is amended to read:

Subd. 2. [APPROPRIATION.] There is a veterans affairs resources fund in the state treasury. All money received by the department

pursuant to subdivision 1 must be deposited in the state treasury and credited to the ~~veterans affairs resources fund.~~ ~~The commissioner may only use money from the veterans affairs resources fund for operation, maintenance, repair of facilities, associated legal fees, and other related expenses used under subdivision 1~~ general fund.

Sec. 62. Minnesota Statutes 1988, section 197.23, subdivision 2, is amended to read:

Subd. 2. [~~ACCOUNT~~ FUNDS FOR MARKER PURCHASE.] ~~An account must be created by the department of finance under the control of the commissioner of veterans affairs that must be used to purchase markers.~~ The commissioner shall provide the available funds for each county in the ratio of the number of markers placed in the county to the total number of markers placed in approximately the same ratio as funds that may be received from that county to the total amount of funds. The funds of each county includes the county government and any donations from organizations and individuals that are headquartered or resident in the county.

Sec. 63. Minnesota Statutes 1988, section 201.023, is amended to read:

201.023 [VOTER REGISTRATION ~~ACCOUNT~~.]

~~The voter registration account is established as an account in the state treasury.~~ Amounts received by the secretary of state to pay the cost of producing lists of registered voters under section 201.091, subdivision 5, by the statewide computerized registration system must be deposited in the state treasury and credited to the ~~voter registration account.~~ ~~Money in the voter registration account is continually appropriated to the secretary of state to produce lists of registered voters under section 201.091, subdivision 5~~ general fund.

Sec. 64. Minnesota Statutes 1989 Supplement, section 216D.08, subdivision 3, is amended to read:

Subd. 3. [CREDITED TO ~~PIPELINE SAFETY ACCOUNT~~ GENERAL FUND.] Penalties collected under this section must be deposited in the state treasury and credited to the ~~pipeline safety account~~ general fund to be applied to the reduction of expenses or costs assessed by the commissioner against persons regulated under this chapter.

Sec. 65. Minnesota Statutes 1988, section 243.48, subdivision 1, is amended to read:

Subdivision 1. [GENERAL SEARCHES.] The commissioner of corrections, the governor, lieutenant governor, members of the

legislature, state officers, and the corrections ombudsman, may visit the inmates at pleasure, but no other persons without permission of the chief executive officer of the facility, under rules prescribed by the commissioner. A moderate fee may be required of visitors, other than those allowed to visit at pleasure. All fees so collected shall be reported and remitted to the state treasurer under rules as the commissioner may deem proper, and when so remitted shall be placed to the credit of the ~~current expense fund of the facility~~ general fund.

Sec. 66. Minnesota Statutes 1989 Supplement, section 246.18, subdivision 3a, is amended to read:

Subd. 3a. [CONTINGENCY ~~FUND~~ ACCOUNT.] A separate ~~interest bearing~~ account must be established in accordance with subdivision 3 for use by the commissioner of human services in contingency situations related to chemical dependency programs operated by the regional treatment centers or state nursing homes. Within the limits of appropriations made available for this purpose, money must be provided to each regional treatment center to enable each center to continue to provide chemical dependency services.

Sec. 67. Minnesota Statutes 1988, section 268.026, subdivision 2, is amended to read:

Subd. 2. Notwithstanding the provisions of any other law to the contrary, all moneys collected as rent under the terms of any lease entered into pursuant to the provisions of subdivision 1, shall be deposited in the state treasury and credited to the ~~account known as the economic security administration~~ general fund.

Sec. 68. Minnesota Statutes 1988, section 268.677, subdivision 2, is amended to read:

Subd. 2. Reimbursement to the commissioner for the costs of administering wage subsidies must not exceed one-half percent of the money appropriated. Reimbursements must be deposited in the general fund. Reimbursement to an eligible local service unit for the costs of administering wage subsidies must not exceed five percent and for the purchase of supplies and materials necessary to create permanent improvements to public property must not exceed one percent of the money allocated to that local service unit. The commissioner and the eligible local service units shall reallocate money from other sources to cover the costs of administering wage subsidies whenever possible.

Sec. 69. Minnesota Statutes 1988, section 268.681, subdivision 3, is amended to read:

Subd. 3. [PAYBACK.] A business receiving wage subsidies shall

repay 70 percent of the amount initially received for each eligible job applicant employed, if the employee does not continue in the employment of the business beyond the six-month subsidized period. If the employee continues in the employment of the business for one year or longer after the six-month subsidized period, the business need not repay any of the funds received for that employee's wages. If the employee continues in the employment of the business for a period of less than one year after the expiration of the six-month subsidized period, the business shall receive a proportional reduction in the amount it must repay. If an employer dismisses an employee for good cause and works in good faith with the eligible local service unit or its contractor to employ and train another person referred by the eligible local service unit or its contractor, the payback formula shall apply as if the original person had continued in employment.

A repayment schedule shall be negotiated and agreed to by the eligible local service unit and the business prior to the disbursement of the funds and is subject to renegotiation. The eligible local service unit shall forward 25 percent of the payments received under this subdivision to the commissioner on a monthly basis and shall retain the remaining 75 percent for local program expenditures. Notwithstanding section 268.677, subdivision 2, the local service unit may use up to 20 percent of its share of the funds returned under this subdivision for any administrative costs associated with the collection of the funds under this subdivision. At least 80 percent of the local service unit's share of the funds returned under this subdivision must be used as provided in section 268.677. The commissioner shall deposit payments forwarded to the commissioner under this subdivision in the ~~Minnesota wage subsidy account created by subdivision 4~~ general fund.

Sec. 70. [268.99] [EMERGENCY SHELTER.]

Funds appropriated for emergency shelter services and support services to battered women must be matched by local money for 20 percent of the costs and by state money for 80 percent. The commissioner may use money directly appropriated by law for the administration of a displaced homemaker program regardless of the date on when the program was established.

Sec. 71. Minnesota Statutes 1988, section 297.03, subdivision 5a, is amended to read:

Subd. 5a. [~~REVOLVING ACCOUNT~~ DEPOSIT OF PROCEEDS.] ~~A heat applied cigarette tax stamp revolving account is created.~~ The commissioner shall use the amounts ~~in this fund~~ appropriated by law to purchase heat applied stamps for resale. The commissioner shall charge the purchasers for the costs of the stamps along with the tax value plus shipping costs. The costs recovered along with shipping costs must be deposited into ~~this revolving account~~ the

general fund and are available to the commissioner for further purchases and shipping costs. ~~The revolving account must be funded by reducing the stamping discounts allowed in subdivision 5 for the first three months of fiscal year 1989. The stamping discounts are 0.75 percent of the face amount of any stamps purchased in the first three months for the first $1,500,000 of the stamps and 0.50 percent on the remainder of the stamps purchased.~~

At the end of each of the first three months of fiscal year 1989, the commissioner shall notify the commissioner of finance of the amount of reduced stamping discounts that have accrued to the ~~tobacco tax revenue~~ general fund. The commissioner of finance shall then transfer the amounts to the ~~heat applied cigarette tax stamp revolving account~~ general fund from the tobacco tax revenue fund.

Sec. 72. Minnesota Statutes Second 1989 Supplement, section 297A.44, subdivision 1, is amended to read:

Subdivision 1. (a) Except as provided in paragraphs (b), (c), and (d), all revenues, including interest and penalties, derived from the excise and use taxes imposed by sections 297A.01 to 297A.44 shall be deposited by the commissioner in the state treasury and credited to the general fund.

(b) All excise and use taxes derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project, from and after the date on which a conditional commitment for a loan guaranty for the project is made pursuant to section 41A.04, subdivision 3, shall be deposited in the Minnesota agricultural and economic account in the special revenue fund. The commissioner of finance shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty account shall be reduced by any refunds and by the costs incurred by the department of revenue to administer and enforce the assessment and collection of the taxes.

(c) All revenues, including interest and penalties, derived from the excise and use taxes imposed on sales and purchases included in section 297A.01, subdivision 3, paragraphs (d) and (l), clauses (1) and (2), must be deposited by the commissioner in the state treasury, and credited as follows:

(1) first to the general obligation ~~special tax~~ bond debt service account in each fiscal year the amount required by section 16A.661, subdivision 3, paragraph (b); and

(2) after the requirements of clause (1) have been met, the balance must be credited to the general fund.

(d) The revenues, ~~including interest and penalties,~~ derived from the taxes imposed on solid waste collection services as described in section 297A.45, shall be deposited by the commissioner in the state treasury and credited to the general fund to be used for funding solid waste reduction and recycling programs.

Sec. 73. Minnesota Statutes 1989 Supplement, section 299F.641, subdivision 8, is amended to read:

Subd. 8. [CIVIL RELIEF.] The safety standards adopted under this section may be enforced as is provided for gas pipeline facilities under sections 299F.60 and 299F.61, and penalties collected must be paid to the commissioner for deposit in the ~~state treasury and credit to the pipeline safety account~~ general fund.

Sec. 74. Minnesota Statutes 1989 Supplement, section 299J.12, subdivision 1, is amended to read:

Subdivision 1. [ASSESSMENT AND DEPOSIT OF FEE.] For each quarter following the delegation to the state of the inspection authority described in section 299J.04, the commissioner shall assess and collect from every interstate pipeline operator an inspection fee in an amount calculated under subdivisions 2 and 3. If an operator does not pay the fee within 60 days after the assessment was mailed, the commissioner may impose a delinquency fee of ten percent of the quarterly inspection fee and interest at the rate of 15 percent per year on the portion of the fee not paid. Fees collected by the commissioner under this section must be deposited in the ~~pipeline safety account~~ general fund.

Sec. 75. Minnesota Statutes 1988, section 326.47, subdivision 3, is amended to read:

Subd. 3. [SURCHARGE.] For the purpose of defraying the cost of administering sections 326.46 to 326.52, there is imposed on all municipalities except municipalities which have a letter of agreement with the department of labor and industry to perform inspections, a surcharge on the filing fees, inspection fees and permits issued after December 31, 1984, in connection with the construction or installation of high pressure piping systems. The surcharge shall be set by the commissioner pursuant to section 16A.128, but shall not be less than $25, nor greater than $5,000. All surcharges collected under this section must be paid to the commissioner for deposit in the state treasury for credit to the ~~special revenue~~ general fund.

Sec. 76. Minnesota Statutes 1988, section 326.52, is amended to read:

326.52 [DEPOSIT OF FEES.]

All fees received under sections 326.46 to 326.52 shall be deposited by the department of labor and industry to the credit of the ~~special revenue~~ general fund in the state treasury. The salaries and per diem of the inspectors and examiners hereinbefore provided, their expenses, and all incidental expenses of the department in carrying out the provisions of sections 326.46 to 326.52 shall be paid from the appropriations made to the department of labor and industry.

Sec. 77. Minnesota Statutes 1988, section 326.75, subdivision 4, is amended to read:

Subd. 4. [DEPOSIT OF FEES.] Fees collected under this section shall be deposited in the ~~asbestos abatement revolving fund created by section 326.82~~ general fund.

Sec. 78. Minnesota Statutes 1989 Supplement, section 336.9-413, is amended to read:

336.9-413 [UNIFORM COMMERCIAL CODE ~~ACCOUNT~~ PROCEEDS.]

(a) ~~The uniform commercial code account is established as an account in the state treasury.~~

~~(b)~~ The filing officer with whom a financing statement, amendment, assignment, statement of release, or continuation statement is filed, or to whom a request for search is made, shall collect a $3 surcharge on each filing or search. By the 15th day following the end of each fiscal quarter, each county recorder shall forward the receipts from the surcharge accumulated during that fiscal quarter to the secretary of state. The surcharge does not apply to a search request made by a natural person who is the subject of the data to be searched except when a certificate is requested as a part of the search.

~~(c)~~ (b) The surcharge amounts received from county recorders and the surcharge amounts collected by the secretary of state's office must be deposited in the state treasury and credited to the general fund.

~~(d)~~ (c) Fees that are not expressly set by statute but are charged by the secretary of state to offset the costs of providing a service under sections 336.9-411 to 336.9-413 must be deposited in the state treasury and credited to the ~~uniform commercial code account~~ general fund.

~~(e)~~ (d) Fees that are not expressly set by statute but are charged by the secretary of state to offset the costs of providing information contained in the computerized records maintained by the secretary

of state must be deposited in the state treasury and credited to the ~~uniform commercial code account~~ general fund.

~~(f) Money in the uniform commercial code account is continuously appropriated to the secretary of state to implement and maintain the computerized uniform commercial code filing system under section 336.9-411 and to provide electronic view-only access to other computerized records maintained by the secretary of state.~~

Sec. 79. Minnesota Statutes 1988, section 349.52, subdivision 3, is amended to read:

Subd. 3. [VIDEO GAMING LICENSE ACCOUNT.] (a) Fees collected by the commissioner under sections 349.50 to 349.60 must be deposited in the state treasury in ~~a special account to be known as the "video gaming license account." Money in the account is appropriated to the commissioner for distribution under paragraph (b)~~ the general fund.

(b) The operator shall, by January 31 of each year, certify to the commissioner the number of video games of chance located in each city, and in each county outside of incorporated areas, on December 31 of the previous year. Within 15 days of receiving this certification the commissioner shall pay from the ~~video gaming license account~~ amounts appropriated to the commissioner to each city and county $30 for each video game of chance located in the city or in the county outside city limits. After making these payments the commissioner shall transfer the unexpended balance in the account to the general fund.

Sec. 80. Minnesota Statutes 1989 Supplement, section 469.204, subdivision 2, is amended to read:

Subd. 2. [ALLOCATION.] Each city of the first class, as defined in section 410.01, may receive a part of the appropriations made available that is the proportion that the population of such city bears to the combined population of such cities of the first class. One city may agree to reduce its entitlement amount and to make it available to another city. For the purposes of this subdivision the population of each city is determined according to the most recent estimates available to the commissioner. Interest earned by a city from money paid to the city must be repaid to the commissioner annually ~~unless the revitalization program identifies the interest as necessary to implement the revitalization program and the requirement for city matching money is satisfied with respect to the interest~~ and must be deposited in the general fund.

Sec. 81. Laws 1988, chapter 648, section 3, is amended to read:

Sec. 3. [APPROPRIATION.]

$750,000 is appropriated from the ~~emergency medical services relief account~~ general fund for the fiscal year ending June 30, 1989, to the commissioner of health for equal distribution to the eight regional emergency medical service systems designated by the commissioner under section 144.8093.

Sec. 82. Laws 1989, chapter 335, article 4, section 107, is amended to read:

Sec. 107. [SPECIAL INSTRUCTION.]

The department of finance may adjust appropriations made to individual agencies for the 1990-1991 biennium to reflect the fund consolidation structure contained in this article while developing agency spending plans for the biennium. In addition, all funds and accounts to be consolidated to the general fund as a result of this article shall have open appropriation authority through June 30, 1991. Agency base level for funding the 1992-1993 biennium for programs currently funded from the accounts affected by this article shall be calculated according to 1992-1993 anticipated revenues. The department shall also have authority to resolve inconsistencies between existing statutes and this article through June 30, 1991. The department shall report adjustments made in agency budgets to implement this article to the chairs of the house appropriations and senate finance committees with specific recommendations on any statutory changes needed to clarify the inconsistency between this article and existing statute. The consolidations in this article are effective beginning July 1, 1991.

Sec. 83. Laws 1988, chapter 648, section 3, is amended to read:

Sec. 3. [APPROPRIATION.]

$750,000 is appropriated from the ~~emergency medical services relief account~~ general fund for the fiscal year ending June 30, 1989, to the commissioner of health for equal distribution to the eight regional emergency medical service systems designated by the commissioner under section 144.8093.

Sec. 84. [REPEALER.]

Minnesota Statutes 1988, sections 3C.056; 14.32, subdivision 2; 84A.51, subdivision 1; 85.30; 268.681, subdivision 4; 299J.18; and 326.82; Minnesota Statutes 1989 Supplement, sections 3C.035, subdivision 2; and 8.15.

Sec. 85. [INSTRUCTION TO REVISOR.]

(a) In the next edition of Minnesota Statutes, the revisor shall amend the following headnotes:

[16B.48] [~~GENERAL~~ ADMINISTRATIVE SERVICES AND COMPUTER SERVICES REVOLVING ~~FUNDS~~ FUND.]

[17B.15] [FEES WEIGHING; ~~DEDICATED ACCOUNT~~ FOR INSPECTION AND WEIGHING.]

[84A.51] [CONSOLIDATED ~~CONSERVATION~~ AREAS ~~FUND~~ ACCOUNT.]

[144.8093] [EMERGENCY MEDICAL SERVICES ~~FUND~~ ACCOUNT.]

[237.52] [~~FUND~~ ACCOUNT; ASSESSMENT.]

[508.75] [~~ASSURANCE FUND; INVESTMENT~~ TRANSMITTAL OF PROCEEDS.]

[508.78] [LIABILITY ~~OF ASSURANCE FUND~~.]

[508A.78] [LIABILITY ~~OF ASSURANCE FUND~~.]

(b) Change the references in column A to Column B.

Section	A	B
299J.12, subdivision 3	299J.18	299J.17
326.70	326.82	326.81
326.71, subdivision 1	326.82	326.81
326.76	326.82	326.81
326.78, subdivision 1	326.82	326.81
326.79	326.82	326.81
326.80	326.82	326.81
326.81	326.82	326.81

Sec. 86. [EFFECTIVE DATE.]

Sections 1 to 80 are effective July 1, 1991. Sections 81 to 83 are effective the day after final enactment.

ARTICLE 4

STATE PLANNING

Section 1. [STATEMENT OF PURPOSE.]

The legislature finds the need to capitalize on opportunities to restructure services in such a way that the level and quality of service provided to the public can be maintained while reducing the cost and size of government through a program of investiture and divestiture. The legislature further recognizes that the long-term

goal of streamlining state government can only be accomplished by focusing on restructuring or redesigning state programs during the 1990 session that have an impact on the 1992-1993 biennium. In keeping with the goal of streamlining state government based on sound fiscal management principles, the legislature has chosen to reassign those essential duties housed within the state planning agency to other, more organizationally suitable agencies and divest those functions that are not essential.

Sec. 2. Minnesota Statutes Second 1989 Supplement, section 3.885, subdivision 3, is amended to read:

Subd. 3. [STAFF.] (a) The commission may:

(1) employ and fix the salaries of professional, technical, clerical, and other staff of the commission;

(2) employ and discharge staff solely on the basis of their fitness to perform their duties and without regard to political affiliation;

(3) buy necessary furniture, equipment, and supplies;

(4) enter into contracts for necessary services, equipment, office, and supplies;

(5) provide its staff with computer capability necessary to carry out assigned duties. The computer should be capable of receiving data and transmitting data to computers maintained by the executive and judicial departments of state government that are used for budgetary and revenue purposes; and

(6) use other legislative staff.

(b) The commission may hire an executive director and delegate any of its authority under paragraph (a) to that person. The executive director shall be appointed by the chair and vice-chair to a four-year term, shall serve in the unclassified service, and is subject to removal by a majority vote of the members of either the senate or the house of representatives.

(c) The legislative coordinating commission shall provide office space and administrative support to the committee. ~~The state planning agency shall report to the committee, and the committee may make recommendations to the state planning agency.~~

Sec. 3. Minnesota Statutes Second 1989 Supplement, section 3.885, subdivision 6, is amended to read:

Subd. 6. [MANDATE, STATE AID, AND STATE PROGRAM REVIEWS.] (a) The commission shall, after consultation with the

governor and with the chairs of the standing committees of the legislature, select mandates and state programs for review. When selecting mandates, state aids, or state programs to be reviewed, the commission shall give priority to those that involve state payments to local units of government.

(b) The governor is responsible for the performance of the reviews. Staff from affected agencies, staff from the department of finance ~~and the state planning agency~~, and legislative staff shall participate in the reviews.

(c) At the direction of the commission, reviews of state programs shall include:

(1) a precise and complete description of the program;

(2) the need the program is intended to address;

(3) the recommended goals and measurable objectives of the program to meet those needs;

(4) program outcomes and measures which identify:

(i) results in meeting stated needs, goals, and objectives;

(ii) administrative efficiency, which, when appropriate, shall include number of program staff and clients served, timeliness in processing clients and rates and administrative cost as a percent of total program expenditures;

(iii) unanticipated program outcomes;

(iv) program expenditures compared with program appropriations;

(v) historical cost trends and projected program growth, including reasons for fiscal and program growth, for all levels of government involved in the program;

(vi) if rules or guidelines or instructions have been promulgated for a program, a review of their efficacy in helping to meet program goals and objectives and in administering the program in a cost-effective way; and

(vii) quality control monitoring and sanctions including a review of the level of training, experience, skill, and standards of staff;

(5) recommended changes in the program that would lead to its policy objectives being achieved more efficiently or effectively, or at lower cost; and

(6) additional issues requested by the commission.

(d) The following state aids and associated state mandates shall be reviewed:

(1) local aids and credits including local government aid, homestead and agricultural credit aid, disparity reduction aid, taconite homestead credit and aids, tax increment financing, and fiscal disparities;

(2) human services aids including community health services aids, correctional program aids, and social service program and administrative aids;

(3) elementary and secondary education aids including school district general fund aids and levies, school district capital expenditure fund aids and levies, school district debt service fund aids and levies, and school district community service fund aids and levies; and

(4) general government aids including natural resource aids, environmental protection aids, transportation aids, economic development aids, and general infrastructure aids.

(e) At the direction of the commission, the reviews of state aids and state mandates involving state financing of local government activities listed in paragraph (d) shall include:

(1) the employment status, wages, and benefits of persons employed in administering the programs;

(2) the desirable applicability of state procedural laws and rules;

(3) methods for increasing political subdivision options in providing their share, if any, of program costs;

(4) desirable redistributions of funding responsibilities for the program and the time period during which any recommended funding distribution should occur;

(5) opportunities for reducing program mandates and giving political subdivisions more flexibility in meeting program needs;

(6) comparability of treatment of similar units of government;

(7) the effect of the state aid or mandate on the distribution of tax burdens among individuals, based upon ability to pay;

(8) coordination of the payment or allocation formula with other state aid programs;

(9) incentives that have been created for local spending decisions, and whether the incentives should be changed;

(10) ways in which political subdivisions have changed their revenue-raising behavior since receiving these grants; and

(11) consideration of the program's consistency with the policies set forth in section 3.882.

(f) Each review shall also include an assessment of the accountability of all government agencies that participate in administration of the program.

(g) Each review that is intended to be considered in the development of the governor's budget recommendations for the following year shall be completed and submitted to the commission no later than November 15.

Sec. 4. [4.46] [WASHINGTON OFFICE.]

The governor may appoint employees in the Washington, D.C., office of the state of Minnesota in accordance with chapter 43A and prescribe their duties.

In the operation of the Washington, D.C., office of the state of Minnesota, the governor may expend money appropriated by the legislature for promotional purposes in the same manner as private persons, firms, corporations, and associations expend money for promotional purposes. Promotional expenditures for food, lodging, or travel are not governed by the travel rules of the commissioner of employee relations.

Any seminars or training sessions regarding federal issues or federal budgeting that are conducted by the Washington office shall be made available to legislators and legislative staff. The Washington office shall notify the legislature regarding the timing of such seminars.

Sec. 5. Minnesota Statutes 1988, section 15.06, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY.] This section applies to the following departments or agencies: the departments of administration, agriculture, commerce, corrections, jobs and training, education, employee relations, trade and economic development, finance, health, human rights, labor and industry, natural resources, public safety, public service, human services, revenue, transportation, and veterans affairs; the housing finance, ~~state planning,~~ and pollution control agencies; the office of commissioner of iron range resources and rehabilitation; the bureau of mediation services; and their

successor departments and agencies. The heads of the foregoing departments or agencies are "commissioners."

Sec. 6. Minnesota Statutes 1989 Supplement, section 15A.081, subdivision 1, is amended to read:

Subdivision 1. [SALARY RANGES.] The governor shall set the salary rate within the ranges listed below for positions specified in this subdivision, upon approval of the legislative commission on employee relations and the legislature as provided by section 43A.18, subdivisions 2 and 5:

Salary Range

Effective

July 1, 1987

$57,500-$78,500
Commissioner of finance;
Commissioner of education;
Commissioner of transportation;
Commissioner of human services;
Commissioner of revenue;
Commissioner of public safety;
Executive director, state board of investment;
Commissioner of gaming;
Director of the state lottery;

$50,000-$67,500
Commissioner of administration;
Commissioner of agriculture;
Commissioner of commerce;
Commissioner of corrections;
Commissioner of jobs and training;
Commissioner of employee relations;
Commissioner of health;
Commissioner of labor and industry;
Commissioner of natural resources;
Commissioner of trade and economic development;
Chief administrative law judge; office of administrative hearings;
Commissioner, pollution control agency;
~~Commissioner, state planning agency;~~
Director, office of waste management;
Commissioner, housing finance agency;
Executive director, public employees retirement association;
Executive director, teacher's retirement association;
Executive director, state retirement system;
Chair, metropolitan council;
Chair, regional transit board;

$42,500-$60,000
Commissioner of human rights;
Commissioner, department of public service;
Commissioner of veterans' affairs;
Commissioner, bureau of mediation services;
Commissioner, public utilities commission;
Member, transportation regulation board;
Ombudsman for corrections;
Ombudsman for mental health and retardation.

Sec. 7. [16B.90] [INFORMATION AND FORECASTS.]

Subdivision 1. [DEVELOPMENT AND ANALYSIS OF INFORMATION.] The commissioner shall develop and analyze information and forecasts relating to the state's population, economy, natural resources and human services including, but not limited to: (1) collection and analysis of information necessary to enable the commissioner to report annually to the governor and the legislature on the status of the state's economy and on forecasts of medium and long-term economic prospects for the state; (2) analysis and reporting on the comparability of economic data, assumptions and analyses used by other planning entities, state agencies, and levels of government as the commissioner deems appropriate; (3) assessment of the implications of demographic, economic, and programmatic trends on state and local policies and institutions for providing health, education, and other human services; and (4) assessment of the availability and quality of data for long-range planning and policy development.

Subd. 2. [DEMOGRAPHICS.] The commissioner shall:

(1) appoint the state demographer, who shall be compensated in accordance with section 43A.18, subdivision 3. The state demographer shall be professionally competent in the field of demography and shall possess demonstrated ability, based upon past performance;

(2) continuously gather and develop demographic data within the state;

(3) design and test methods of research and data collection;

(4) periodically prepare population projections for designated regions and for the state and may periodically prepare projections for each county, or other political or geographic division as necessary to carry out the purposes of this section;

(5) review, comment, and prepare analysis of population estimates and projections made by state agencies, political subdivisions, other

states, or federal agencies; or nongovernmental persons, institutions, or commissions;

(6) serve as the state liaison with the federal Bureau of the Census, and coordinate the activities of the department with federal demographic activities to the fullest extent possible, and shall aid the legislature in preparing a census data plan and form for each decennial census;

(7) compile an annual study of population estimates on the basis of county, regional, or other political or geographic divisions as necessary to carry out the purposes of this section;

(8) on or before January 1 of each year, issue a report to the legislature containing an analysis of the demographic implications of the annual population study and population projections;

(9) cause to be prepared maps of all counties in the state, all municipalities with a population of 10,000 or more, and any other municipalities as deemed necessary for census purposes, according to scale and detail recommended by the federal Bureau of the Census, with the maps of cities showing boundaries of precincts; and

(10) prepare an estimate of population and of the number of households for each governmental subdivision for which the metropolitan council does not prepare an annual estimate, and shall communicate the estimates to the governing body of each governmental subdivision by May 1 of each year.

Subd. 3. [LAND MANAGEMENT INFORMATION CENTER.] (a) The land management information center is established to foster integration of environmental information and provide services in computer mapping and graphics, environmental analysis, and small systems development.

(b) The commissioner shall periodically compile studies of land use and natural resources on the basis of county, regional, and other political subdivisions.

(c) The commissioner shall charge fees to clients for information products and services. Fees shall be deposited in the state treasury and credited to the land management information center revolving account. Money in the account is appropriated to the department of administration for operation of the land management information system, including the cost of all services, supplies, materials, labor, and equipment, as well as the portion of the general support costs and statewide indirect costs of the agency that is attributable to the land management information system. The commissioner may require a state agency to make advance payments to the revolving account sufficient to cover the agency's estimated obligation for a

period of 60 days or more. If the revolving account is abolished or liquidated, the total net profit from operations shall be distributed to the various funds from which purchases were made. The amount to be distributed to each fund shall bear to the net profit the same ratio as the total purchases from each fund bears to the total purchases from all the funds during a period of time that fairly reflects the amount of net profit each fund is entitled to receive under this distribution. Employees paid from this account are in the unclassified service.

Subd. 4. [MODEL ZONING CRITERIA.] The commissioner shall, in consultation with the advisory council on state and local relations, develop and disseminate model zoning criteria for use by local units of government in siting recycling facilities.

Subd. 5. [POPULATION ESTIMATES AND PROJECTIONS; SUBMISSION BY STATE AGENCIES.] Each state agency shall submit to the commissioner for comment all population estimates and projections prepared by it prior to:

(1) submitting those estimates and projections to the state legislature or federal government to obtain appropriations or grants;

(2) the issuance of bonds based upon those estimates and projections; and

(3) releasing any plan based upon those estimates and projections.

Sec. 8. Minnesota Statutes 1989 Supplement, section 17.49, subdivision 1, is amended to read:

Subdivision 1. [PROGRAM ESTABLISHED.] The commissioner shall establish and promote a program for the commercial raising of fish in fish farms in consultation with an advisory committee consisting of the University of Minnesota, the commissioner of natural resources, the commissioner of agriculture, the commissioner of trade and economic development, ~~the commissioner of the state planning agency,~~ representatives of private fish raising industry, and the chairs of the environment and natural resources committees of the house of representatives and senate.

Sec. 9. Minnesota Statutes 1988, section 40A.08, is amended to read:

40A.08 [~~STATE PLANNING AGENCY;~~ REGIONAL DEVELOPMENT COMMISSIONS.]

~~The state planning agency shall cooperate with and assist the commissioner in administering the agricultural land preservation program under this chapter.~~ The commissioner may enter into

agreements with ~~the agency or~~ a regional development commission under which staff are loaned for the purpose of selecting pilot counties and reviewing plans and official controls for consistency with the state guidelines.

Sec. 10. Minnesota Statutes 1988, section 40A.16, is amended to read:

40A.16 [INTERAGENCY COOPERATION.]

The board, districts, ~~the agency,~~ and the department of natural resources shall cooperate with and assist the commissioner in developing and implementing the agricultural land preservation and conservation awareness and assistance programs. The commissioner may enter into agreements under which staff from those agencies are loaned for the purpose of administering the programs.

Sec. 11. Minnesota Statutes 1988, section 62D.122, is amended to read:

62D.122 [MEDIATION.]

When current parties to a health maintenance organization contract between providers of health care services and the health maintenance organization believe they will be unable to reach agreement on the terms of renewal or maintenance of the agreement, either party may request the commissioner of health to order that the dispute be submitted to mediation. The parties to the dispute shall enter mediation upon the order of the commissioner of health. Whether or not a request for mediation from one of the parties has been received, the commissioner shall order mediation if failure to reach agreement would significantly impair access to health care services on the part of current enrollees of that health maintenance organization. The commissioner shall be a participant in the mediation. In determining whether access to health care services for current enrollees will be significantly impaired, the commissioner shall consider:

(1) the number of enrollees affected,

(2) the ability of the plan to make alternate arrangements with other participating providers for the provision of health care services to the affected enrollees,

(3) the availability of nonparticipating providers who may become participating providers for those with whom the health maintenance organization is in dispute,

(4) the time remaining until termination of the provider contract, and

(5) whether failure to resolve the dispute may establish a precedent for similar disputes in other parts of the state or might impede competition among health plans.

During the period in which the dispute is in mediation, no action to terminate provider or enrollee contracts may be taken by either party. Participation in mediation shall be required of all parties for a period of not more than 30 days. Notice of termination of provider agreements, as required under section 62D.08, subdivision 5, shall take effect no earlier than 31 days after the first day of mediation under this section.

When mediation is ordered by the commissioner, arrangements for mediation shall be made through ~~either the office of dispute resolution in the state planning agency, or~~ the office of administrative hearings.

Costs of the mediation shall be borne equally by the health maintenance organization and the health care providers unless otherwise agreed to by the parties. The office of administrative hearings shall establish rates for mediation services comparable to those charged by mediators listed with the office of dispute resolution.

The mediator shall not have authority to impose a settlement or otherwise bind a participant to a nonvoluntary resolution of the dispute; however, any agreement reached as a result of the mediation shall be enforceable.

Except as otherwise provided under chapter 13 and sections 62D.03 and 62D.14, the commissioner shall make public the results of any mediation agreement.

Sec. 12. Minnesota Statutes 1988, section 62J.02, subdivision 2, is amended to read:

Subd. 2. [STAFF; OFFICE SPACE; EQUIPMENT.] The commission shall select a director to serve at its pleasure as the chief administrative officer of the commission. The director may hire advisors, consultants, and employees, as authorized by the commission, and prescribe their duties. Employees are not state employees, but are covered by section 3.736. At the option of the commission, the employees may participate in the following plans for employees in the unclassified service: the state retirement plan, the state deferred compensation plan, and the health insurance and life insurance plans. The commissioner of ~~state planning~~ health shall provide to the commission, at a reasonable cost, administrative assistance, office space, and access to office equipment and services.

Sec. 13. Minnesota Statutes 1988, section 62J.02, subdivision 3, is amended to read:

Subd. 3. [DUTIES.] The health care access commission, with the assistance of the ~~commissioner~~ commissioners of ~~state planning~~ health and human services, shall develop and recommend to the legislature a plan to provide access to health care for all state residents. In developing the plan, the commission shall:

(1) develop a system to estimate the total number of uninsured Minnesotans by age, sex, employment status, income level, geography, and other relevant characteristics;

(2) explore all potential insurance options including size and makeup of risk groups;

(3) prepare a legal analysis of restrictions and other potential legal issues of the Employee Retirement Income Security Act, United States Code, title 29, sections 1001 to 1461;

(4) study and make recommendations on insurance and health care law changes that will improve access to health care;

(5) study and make recommendations on incentives and disincentives to ensure that employers continue to provide health insurance coverage;

(6) study and make recommendations regarding benefits to be covered by health plans that would be available through the health care access program, including preventive, well-child, and prenatal care;

(7) identify cost savings to public programs that would result from implementation of the health care access program;

(8) develop a cost containment policy after reviewing cost containment methods such as hospital admission precertification, concurrent review of hospital stays, discharge planning, hospital bill audit prior to discharge, primary gatekeepers, claims data analysis, a drug formulary, pharmacy data analysis, bulk discounts, emergency room use, outpatient surgery oversight, protocols for preventive care and common acute care, practice data compared to peers, practitioner rewards and penalties, and other cost containment methods;

(9) develop a system to administer the health care access program, including recommendations for eligibility criteria, enrollment procedures, and options for contracting with carriers, health plans, and providers, to ensure access to affordable health care in all geographic areas of the state;

(10) define the number, functions, and duties of administrative staff;

(11) study alternatives for financing the state share of the cost of the premiums in an amount sufficient to generate one-half of the total costs of the health care access program, but not more than $150,000,000 a year, including, but not limited to, an actuarial analysis, a sliding fee scale analysis, and reserve fund requirements;

(12) develop a system for collection of premium payments;

(13) examine and make recommendations on gatekeeping mechanisms for access to health care services, different benefit and service packages for the minimum core coverage plan, and dollar limitations for prescription drug costs;

(14) consider limits on provider reimbursement and covered services and make recommendations;

(15) examine the effect of different copayment levels on access to health care for persons with low incomes and provide recommendations based on this analysis;

(16) examine and make recommendations on maximum lifetime benefits;

(17) develop methods to ensure representation in service delivery by eligible practitioners, without regard to race, color, or sex;

(18) develop methods to coordinate the health care access program with other government-subsidized programs; and

(19) conduct other activities it considers necessary to carry out the intent of the legislature as expressed in section 62J.01 and this section.

Sec. 14. Minnesota Statutes 1988, section 84.027, is amended by adding a subdivision to read:

Subd. 11. [LOCAL LAND USE PLANNING; GRANTS.] (a) In order to improve the land use decision-making capability of local government, the commissioner shall make grants to the metropolitan council under section 116J.992 and to towns, counties, municipalities, and Indian reservations. The commissioner shall give priority when granting money to those areas that show a special need under clauses (1) and (2). The grants may be used to employ staff or contract with other units of government or qualified consultants for the following purposes:

(1) to prepare and implement plans which are required for certain areas by law or by designation as a critical area under chapter 116G;

(2) to prepare and implement plans which the unit of government is authorized by law to undertake for the management of problems resulting from rapid population or economic growth or decline and potential development in environmentally sensitive areas including, but not limited to, flood plains, wild and scenic rivers, and shorelands; and

(3) to analyze and prepare plans to preserve and protect agricultural land as defined in section 500.24.

(b) Grants shall not exceed 75 percent of the cost of the land use planning program, except that grants made within a designated critical area may be up to 100 percent of the cost of the planning program.

(c) For the purpose of this subdivision, municipality has the definition stated in Minnesota Statutes 1974, section 462.352, subdivision 2.

(d) The commissioner shall determine priorities pursuant to this section and shall adopt rules for the submittal and review of applications in accordance with the provisions of chapter 14.

Sec. 15. Minnesota Statutes 1989 Supplement, section 103H.101, subdivision 4, is amended to read:

Subd. 4. [INFORMATION GATHERING.] The commissioner of natural resources shall coordinate the collection of state and local information to identify sensitive areas. Information must be automated on or accessible to systems developed at the land management information center of the ~~state planning agency~~ department of administration.

Sec. 16. Minnesota Statutes 1989 Supplement, section 103H.175, is amended to read:

103H.175 [GROUNDWATER QUALITY MONITORING.]

Subdivision 1. [MONITORING RESULTS TO BE SUBMITTED TO THE ~~STATE PLANNING AGENCY~~ ENVIRONMENTAL QUALITY BOARD.] The results of monitoring groundwater quality by state agencies and political subdivisions must be submitted to the ~~state planning agency~~ environmental quality board.

Subd. 2. [COMPUTERIZED DATA BASE.] The ~~state planning~~ pollution control agency shall maintain a computerized data base compatible with the data base at the department of administration's

land management information center of the results of groundwater quality monitoring in a manner that is accessible to the ~~pollution control agency,~~ department of agriculture, department of health, and department of natural resources. The ~~state planning~~ pollution control agency shall assess the quality and reliability of the data and organize the data in a usable format.

Sec. 17. Minnesota Statutes 1988, section 105.485, subdivision 3, is amended to read:

Subd. 3. [COMMISSIONER'S DUTIES.] The commissioner of natural resources shall adopt, under chapter 14, model standards and criteria, other than a model ordinance, for the subdivision, use, and development of shoreland in municipalities. The standards and criteria must include but not be limited to those listed in clauses (1) to (7). The commissioner of natural resources shall adopt, under chapter 14, model standards and criteria for the subdivision, use, and development of shoreland in unincorporated areas, including but not limited to the following:

(1) the area of a lot and length of water frontage suitable for a building site;

(2) the placement of structures in relation to shorelines and roads;

(3) the placement and construction of sanitary and waste disposal facilities;

(4) designation of types of land uses;

(5) changes in bottom contours of adjacent public waters;

(6) preservation of natural shorelands through the restriction of land uses;

(7) variances from the minimum standards and criteria; and

(8) a model ordinance.

The following agencies shall provide information and advice necessary to prepare or amend the rules: the state departments of agriculture, health, and trade and economic development; the ~~state planning and~~ pollution control ~~agencies~~ agency; the board of water and soil resources; and the Minnesota historical society. In addition to other requirements of chapter 14, the model standards and ordinance adopted under this section, or amendments to them must not be finally adopted unless approved by the state commissioner of health and the commissioner of the pollution control agency.

Sec. 18. Minnesota Statutes 1988, section 110B.04, subdivision 7, is amended to read:

Subd. 7. [DATA ACQUISITION.] The data collected under this section that has common value as determined by the ~~state planning agency~~ environmental quality board for natural resources planning must be provided and integrated into the Minnesota land management information systems geographic and summary data bases according to published data compatibility guidelines.

Sec. 19. Minnesota Statutes 1988, section 110B.08, subdivision 5, is amended to read:

Subd. 5. [STATE REVIEW.] (a) After conducting the public hearing but before final adoption, the county board must submit its comprehensive water plan, all written comments received on the plan, a record of the public hearing under subdivision 4, and a summary of changes incorporated as a result of the review process to the board for review. The board shall complete the review within 90 days after receiving a comprehensive water plan and supporting documents. The board shall consult with the departments of agriculture, health, and natural resources; the pollution control agency; ~~the state planning agency;~~ the environmental quality board; and other appropriate state agencies during the review.

(b) The board may disapprove a comprehensive water plan if the board determines the plan is not consistent with state law. If a plan is disapproved, the board shall provide a written statement of its reasons for disapproval. A disapproved comprehensive water plan must be revised by the county board and resubmitted for approval by the board within 120 days after receiving notice of disapproval of the comprehensive water plan, unless the board extends the period for good cause. The decision of the board to disapprove the plan may be appealed by the county to district court.

Sec. 20. Minnesota Statutes 1988, section 115.103, subdivision 1, is amended to read:

Subdivision 1. [PROJECT COORDINATION TEAM; MEMBERSHIP.] The commissioner shall establish and chair a project coordination team made up of representatives of the pollution control agency, department of natural resources, soil and water conservation board, department of agriculture, department of health, ~~state planning agency,~~ Minnesota extension service, University of Minnesota agricultural experiment stations, United States Army Corps of Engineers, United States Environmental Protection Agency, United States Department of Agriculture Agricultural Stabilization and Conservation Service, United States Department of Agriculture Soil Conservation Service, board of water and soil resources, metropolitan council, Association of Minnesota Counties, League of Min-

nesota Cities, Minnesota Association of Townships, and other agencies as the commissioner may determine.

Sec. 21. Minnesota Statutes 1988, section 115A.072, subdivision 1, is amended to read:

Subdivision 1. [WASTE EDUCATION COALITION.] (a) The office shall provide for the development and implementation of a program of general public education on waste management in cooperation and coordination with the pollution control agency, metropolitan council, department of education, department of agriculture, ~~state planning agency,~~ environmental quality board, environmental education board, educational institutions, other public agencies with responsibility for waste management or public education, and three other persons who represent private industry and who have knowledge of or expertise in recycling and solid waste management issues. The objectives of the program are to: develop increased public awareness of and interest in environmentally sound waste management methods; encourage better informed decisions on waste management issues by business, industry, local governments, and the public; and disseminate practical information about ways in which households and other institutions and organizations can improve the management of waste.

(b) The office shall appoint an advisory task force, to be called the waste education coalition, of up to 18 members to advise the office in carrying out its responsibilities under this section and whose membership represents the agencies and entities listed in this subdivision.

Sec. 22. Minnesota Statutes 1989 Supplement, section 116C.03, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP.] The members of the board are ~~the commissioner of the state planning agency,~~ the commissioner of public service, the commissioner of the pollution control agency, the commissioner of natural resources, the director of the office of waste management, the commissioner of agriculture, the commissioner of health, the commissioner of transportation, the chair of the board of water and soil resources, and a representative of the governor's office designated by the governor. The governor shall appoint five members from the general public to the board, subject to the advice and consent of the senate. At least two of the five public members must have knowledge of and be conversant in water management issues in the state. Notwithstanding the provisions of section 15.06, subdivision 6, members of the board may not delegate their powers and responsibilities as board members to any other person.

Sec. 23. Minnesota Statutes 1988, section 116C.03, subdivision 4, is amended to read:

Subd. 4. Staff and consultant support for board activities shall be provided by the ~~state planning agency~~ governor's office. This support shall be provided based upon an annual budget and work program developed by the board ~~and certified to the commissioner of the state planning agency by the chair of the board~~. The board shall have the authority to request and require staff support from all other agencies of state government as needed for the execution of the responsibilities of the board.

Sec. 24. Minnesota Statutes 1988, section 116C.03, subdivision 5, is amended to read:

Subd. 5. The ~~board shall contract with the commissioner of the state planning agency for~~ governor's office shall provide administrative services necessary to the board's activities. The services shall include personnel, budget, payroll and contract administration.

Sec. 25. Minnesota Statutes 1988, section 116C.712, subdivision 3, is amended to read:

Subd. 3. [COUNCIL STAFF.] Staff support for council activities must be provided by the ~~state planning~~ pollution control agency. State departments and agencies must cooperate with the council in the performance of its duties. Upon the request of the chair of the council, the governor may, by order, require a state department or agency to furnish assistance necessary to carry out the council's functions under this chapter.

Sec. 26. Minnesota Statutes 1988, section 116C.712, subdivision 5, is amended to read:

Subd. 5. [ASSESSMENT.] (a) A person, firm, corporation, or association in the business of owning or operating a nuclear fission electrical generating plant in this state shall pay an assessment to cover the cost of:

(1) monitoring the federal high-level radioactive waste program under the Nuclear Waste Policy Act, United States Code, title 42, sections 10101 to 10226;

(2) advising the governor and the legislature on policy issues relating to the federal high-level radioactive waste disposal program;

(3) surveying existing literature and activity relating to radioactive waste management, including storage, transportation, and disposal, in the state; and

(4) other general studies necessary to carry out the purposes of this subdivision.

The assessment must not be more than the appropriation to the ~~state planning~~ pollution control agency for these purposes.

(b) The ~~state planning~~ pollution control agency shall bill the owner or operator of the plant for the assessment at least 30 days before the start of each quarter. The assessment for the second quarter of each fiscal year must be adjusted to compensate for the amount by which actual expenditures by the ~~state planning~~ pollution control agency for the preceding year were more or less than the estimated expenditures previously assessed. The billing may be made as an addition to the assessments made under section 116C.69. The owner or operator of the plant must pay the assessment within 30 days after receipt of the bill. The assessment must be deposited in the state treasury and credited to the special revenue fund.

(c) The authority for this assessment terminates when the department of energy eliminates Minnesota from further siting consideration for high-level radioactive waste by starting construction of a high-level radioactive waste disposal site in another state. The assessment required for any quarter must be reduced by the amount of federal grant money received by the ~~state planning~~ pollution control agency for the purposes listed in this section.

Sec. 27. Minnesota Statutes 1989 Supplement, section 116J.58, subdivision 1, is amended to read:

Subdivision 1. [ENUMERATION.] The commissioner shall:

(1) investigate, study, and undertake ways and means of promoting and encouraging the prosperous development and protection of the legitimate interest and welfare of Minnesota business, industry, and commerce, within and outside the state;

(2) locate markets for manufacturers and processors and aid merchants in locating and contacting markets;

(3) investigate and study conditions affecting Minnesota business, industry, and commerce and collect and disseminate information, and engage in technical studies, scientific investigations, and statistical research and educational activities necessary or useful for the proper execution of the powers and duties of the commissioner in promoting and developing Minnesota business, industry, and commerce, both within and outside the state;

(4) plan and develop an effective business information service both for the direct assistance of business and industry of the state and for the encouragement of business and industry outside the state to use economic facilities within the state;

(5) compile, collect, and develop periodically, or otherwise make available, information relating to current business conditions;

(6) conduct or encourage research designed to further new and more extensive uses of the natural and other resources of the state and designed to develop new products and industrial processes;

(7) study trends and developments in the industries of the state and analyze the reasons underlying the trends; study costs and other factors affecting successful operation of businesses within the state; and make recommendations regarding circumstances promoting or hampering business and industrial development;

(8) serve as a clearing house for business and industrial problems of the state; and advise small business enterprises regarding improved methods of accounting and bookkeeping;

(9) cooperate with interstate commissions engaged in formulating and promoting the adoption of interstate compacts and agreements helpful to business, industry, and commerce;

(10) cooperate with other state departments, and with boards, commissions, and other state agencies, in the preparation and coordination of plans and policies for the development of the state and for the use and conservation of its resources insofar as the use, conservation, and development may be appropriately directed or influenced by a state agency;

(11) assemble and coordinate information relative to the status, scope, cost, and employment possibilities and the availability of materials, equipment, and labor in connection with public works projects, state, county, and municipal; recommend limitations on the public works; gather current progress information with reference to public and private works projects of the state and its political subdivisions with reference to conditions of employment; inquire into and report to the governor, when requested by the governor, with respect to any program of public state improvements and the financing thereof; and request and obtain information from other state departments or agencies as may be needed properly to report thereon;

(12) study changes in population and current trends and prepare plans and suggest policies for the development and conservation of the resources of the state;

(13) confer and cooperate with the executive, legislative, or planning authorities of the United States and neighboring states and of the counties and municipalities of such neighboring states, for the purpose of bringing about a coordination between the

development of such neighboring states, counties, and municipalities and the development of this state;

(14) generally, gather, compile, and make available statistical information relating to business, trade, commerce, industry, transportation, communication, natural resources, and other like subjects in this state, with authority to call upon other departments of the state for statistical data and results obtained by them and to arrange and compile that statistical information in a manner that seems wise;

(15) publish documents and annually convene regional meetings to inform businesses, local government units, assistance providers, and other interested persons of changes in state and federal law related to economic development; ~~and~~

(16) annually convene conferences of providers of economic development related financial and technical assistance for the purposes of exchanging information on economic development assistance, coordinating economic development activities, and formulating economic development strategies.; and

(17) develop and maintain, in consultation with local government elected officials, a process and procedures for the review of federal grant applications, and the coordination of planning activities including state and local responsibilities as existed on January 1, 1983, in federal Office of Management and Budget Circular A-95, Parts I, II, III, and IV; and the federal Executive Order 12372.

Sec. 28. [116J.991] [REGIONAL DEVELOPMENT COMMISSION REVIEW.]

An application for grants from this program shall be submitted to the appropriate regional development commission for review under section 462.391, subdivision 3, before submittal to the commissioner. The regional development commission shall complete its review within 45 days after receipt of the application. If an application is not reviewed within the requisite time limit or if an extension of time is not agreed to by the affected parties, the application shall be considered approved. Until units of local government in the metropolitan area, as defined by section 473.121, subdivision 2, are required by law to prepare and adopt comprehensive plans or portions of plans, the review required by this section shall be made by the metropolitan council for those units.

Sec. 29. [116J.992] [MANDATORY TRANSFER OF FUNDS.]

If part or all of the units of government within the metropolitan area as defined by section 473.121, subdivision 2, are required by law to prepare and adopt comprehensive plans or specified portions,

50 percent of the funds appropriated for the purposes of section 84.027, subdivision 11, less the amount previously granted to units of government within the metropolitan area, shall be transferred to the metropolitan council on the effective date of such a law. Funds so transferred are reappropriated to the metropolitan council and shall be used for making grants to units of government within the metropolitan area for the preparation and adoption of comprehensive plans and controls required by law. Not more than five percent of the transferred funds shall be available to the metropolitan council for grant administration.

Sec. 30. Minnesota Statutes 1989 Supplement, section 129B.13, subdivision 2, is amended to read:

Subd. 2. [MEMBERS; MEETINGS; OFFICERS.] The interagency adult learning advisory council shall have 16 to 18 members. Members must have experience in educating adults or in programs addressing welfare recipients and incarcerated, unemployed, and underemployed people.

The members of the interagency adult learning advisory council are appointed as follows:

(1) ~~one member appointed by the commissioner of the state planning agency;~~

~~(2)~~ one member appointed by the commissioner of jobs and training;

~~(3)~~ (2) one member appointed by the commissioner of human services;

~~(4)~~ (3) one member appointed by the director of the refugee and immigrant assistance division of the department of human services;

~~(5)~~ (4) one member appointed by the commissioner of corrections;

~~(6)~~ (5) one member appointed by the commissioner of education;

~~(7)~~ (6) one member appointed by the director of the state board of vocational technical education;

~~(8)~~ (7) one member appointed by the chancellor of community colleges;

~~(9)~~ (8) one member appointed by the Minnesota adult literacy campaign or by another nonprofit literacy organization, as designated by the ~~commissioner of the state planning agency~~ governor;

~~(10)~~ (9) one member appointed by the council on Black Minnesotans;

~~(11)~~ (10) one member appointed by the Spanish-speaking affairs council;

~~(12)~~ (11) one member appointed by the council on Asian-Pacific Minnesotans;

~~(13)~~ (12) one member appointed by the Indian affairs council; and

~~(14)~~ (13) one member appointed by the disability council.

Up to four additional members of the council may be nominated by the participating agencies. Based on the council's recommendations, ~~commissioner of the state planning agency~~ the governor must appoint at least two, but not more than four, additional members. Nominees shall include, but are not limited to, representatives of local education, government, nonprofit agencies, employers, labor organizations, and libraries.

The council shall elect its officers.

Sec. 31. Minnesota Statutes 1989 Supplement, section 129B.13, subdivision 3, is amended to read:

Subd. 3. [STAFF.] The ~~commissioner of the state planning agency~~ governor's office shall provide space and administrative services to the council. The commissioner may contract for staff for the council.

Sec. 32. Minnesota Statutes 1989 Supplement, section 129B.13, subdivision 8, is amended to read:

Subd. 8. [STANDARDS FOR QUALIFIED PROGRAMS.] (a) Except as provided in paragraph (b) and subdivision 9, a program qualifying for a grant must:

(1) be directed to the unemployed, the underemployed, the incarcerated, public assistance recipients, or to non-English speaking immigrants;

(2) integrate learning and support services such as child care, transportation, and counseling;

(3) have intensive learning that maximizes the weekly hours available to learners;

(4) be accessible year-round and during daytime or evening hours as needed, except where otherwise appropriate to learners' needs;

(5) have individualized learning plans and outcome based learning;

(6) provide instruction in transferable basic skills;

(7) have context based learning linked to individual occupational or self-sufficiency goals;

(8) provide for reporting and evaluation;

(9) have appropriate coordination and differentiation of services among adult literacy services and agencies in the local area;

(10) be coordinated with human services and employment and training agencies, as appropriate to the target population; and

(11) maximize use of available local resources.

(b) The commissioner of ~~the state planning agency~~ education may waive a standard because of client need or local conditions. The reason for the waiver must be documented.

Sec. 33. Minnesota Statutes 1989 Supplement, section 129B.13, subdivision 9, is amended to read:

Subd. 9. [INNOVATION GRANTS.] The commissioner of ~~the state planning agency~~ education may award grants for innovative programs. An innovation grant need not comply with the standards in subdivision 8. The nature and extent of the proposed innovation must be described in the award.

Sec. 34. Minnesota Statutes 1989 Supplement, section 129B.13, subdivision 10, is amended to read:

Subd. 10. [NO FUNDING REQUIRED.] The commissioner of ~~the state planning agency~~ education need not award a grant for any proposal that, in the determination of the commissioner does not meet the standards in subdivision 8.

Sec. 35. Minnesota Statutes 1989 Supplement, section 129B.13, subdivision 12, is amended to read:

Subd. 12. [GEOGRAPHIC DISTRIBUTION.] The commissioner of ~~the state planning agency~~ education shall seek to award grants throughout the state, taking into account the incidence of the target population. It shall provide technical assistance to local agencies to enhance fulfillment of this subdivision.

Sec. 36. Minnesota Statutes 1989 Supplement, section 129B.13, subdivision 14, is amended to read:

Subd. 14. [GRANT SCHEDULE.] The commissioner of ~~the state planning agency~~ education must award initial grants by April 1, 1990. Beginning in 1991, grants must be awarded by July 1 of each year. Grants may be awarded for a period not to exceed 24 months.

Sec. 37. Minnesota Statutes 1989 Supplement, section 129B.13, subdivision 15, is amended to read:

Subd. 15. [LOCAL AND REGIONAL JOINT PLANNING.] The commissioner of ~~the state planning agency~~ education may require grant applicants and existing adult basic education providers in a locality to present a joint services plan as a condition of receiving a grant under this section.

Sec. 38. Minnesota Statutes 1989 Supplement, section 129B.13, subdivision 16, is amended to read:

Subd. 16. [REPORTING AND EVALUATION.] The commissioner of ~~the state planning agency~~ education shall evaluate the performance of the grantees and report to the legislature by November 15 of each year, except that a preliminary report may be submitted by February 15, 1991.

Sec. 39. Minnesota Statutes 1988, section 144.70, subdivision 2, is amended to read:

Subd. 2. [INTERAGENCY COOPERATION.] In completing the report required by subdivision 1, in fulfilling the requirements of sections 144.695 to 144.703, and in undertaking other initiatives concerning health care costs, access, or quality, the commissioner of health shall cooperate with and consider potential benefits to other state agencies that have a role in the market for health services or the market for health plans. Other agencies include the department of employee relations, as administrator of the state employee health benefits program; the department of human services, as administrator of health services entitlement programs; the department of commerce, in its regulation of health plans; the department of labor and industry, in its regulation of health service costs under workers' compensation; ~~and the state planning agency, in its planning for the state's health service needs~~.

Sec. 40. Minnesota Statutes 1989 Supplement, section 144.861, is amended to read:

144.861 [STUDY ON ABATEMENT COSTS.]

The ~~commissioner of state planning~~ governor's office shall convene a task force of representatives of the Minnesota housing finance agency, the pollution control agency, the department of health, ~~the state planning agency,~~ abatement contractors, realtors,

community residents including both tenants and landowners, lead advocacy organizations, and cultural groups at high risk of lead poisoning to evaluate the costs of providing assistance to property owners and local communities required to do abatement under this law and of providing subsidized programs to assist them. The task force shall also present recommendations for a statewide subsidized abatement service program. The agency shall report its findings and recommendations to the legislature by January 1990.

Sec. 41. Minnesota Statutes 1988, section 144A.071, subdivision 5, is amended to read:

Subd. 5. [REPORT.] ~~The commissioner of the state planning agency, in consultation with~~ The commissioners of health and human services, shall report to the senate health and human services committee and the house health and welfare committee by January 15, 1986 and biennially thereafter regarding:

(1) projections on the number of elderly Minnesota residents including medical assistance recipients;

(2) the number of residents most at risk for nursing home placement;

(3) the needs for long-term care and alternative home and noninstitutional services;

(4) availability of and access to alternative services by geographic region; and

(5) the necessity or desirability of continuing, modifying, or repealing the moratorium in relation to the availability and development of the continuum of long-term care services.

Sec. 42. Minnesota Statutes 1988, section 144A.31, subdivision 1, is amended to read:

Subdivision 1. [INTERAGENCY BOARD.] The commissioners of health and human services shall establish, by July 1, 1983, an interagency board of employees of their respective departments who are knowledgeable and employed in the areas of long-term care, geriatric care, long-term care facility inspection, or quality of care assurance. The number of interagency board members shall not exceed eight; three members each to represent the commissioners of health and human services and one member each to represent the ~~commissioners~~ commissioner of ~~state planning and~~ housing finance. The board shall identify long-term care issues requiring coordinated interagency policies and shall conduct analyses, coordinate policy development, and make recommendations to the commissioners for effective implementation of these policies. The commissioner of

human services and the commissioner of health or their designees shall annually alternate chairing and convening the board. The board may utilize the expertise and time of other individuals employed by either department as needed. The board may recommend that the commissioners contract for services as needed. The board shall meet as often as necessary to accomplish its duties, but at least quarterly. The board shall establish procedures, including public hearings, for allowing regular opportunities for input from residents, nursing homes, and other interested persons.

Sec. 43. Minnesota Statutes 1989 Supplement, section 145.926, subdivision 1, is amended to read:

Subdivision 1. [ADMINISTRATION.] The commissioner of ~~state planning~~ education shall administer the way to grow/school readiness program, in consultation with the commissioners of human services and education, to promote intellectual, social, emotional, and physical development and school readiness of children prebirth to age five by coordinating and improving access to community-based and neighborhood-based services that support and assist all parents in meeting the health and developmental needs of their children at the earliest possible age.

Sec. 44. Minnesota Statutes 1989 Supplement, section 145.926, subdivision 4, is amended to read:

Subd. 4. [PILOT PROJECTS.] The commissioner of ~~state planning~~ education shall award grants for one pilot project in each of the following areas of the state:

(1) a first class city located within the metropolitan area as defined in section 473.121, subdivision 2;

(2) a second class city located within the metropolitan area as defined in section 473.121, subdivision 2;

(3) a city with a population of 50,000 or more that is located outside of the metropolitan area as defined in section 473.121, subdivision 2; and

(4) the area of the state located outside of the metropolitan area as defined in section 473.121, subdivision 2.

To the extent possible, the commissioner of ~~state planning~~ education shall award grants to applicants with experience or demonstrated ability in providing comprehensive, multidisciplinary, community-based programs with objectives similar to those listed in subdivision 2, or in providing other human services or social services programs using a multidisciplinary, community-based approach.

Sec. 45. Minnesota Statutes 1989 Supplement, section 145.926, subdivision 5, is amended to read:

Subd. 5. [APPLICATIONS.] Each grant application must propose a five-year program designed to accomplish the purposes of this section. The application must be submitted on forms provided by the commissioner of ~~state planning~~ education. The grant application must include:

(1) a description of the specific neighborhoods that will be served under the program and the name, address, and a description of each community agency or agencies with which the applicant intends to contract to provide services using grant money;

(2) a letter of intent from each community agency identified in clause (1) that indicates the agency's willingness to participate in the program and approval of the proposed program structure and components;

(3) a detailed description of the structure and components of the proposed program and an explanation of how each component will contribute to accomplishing the purposes of this section;

(4) a description of how public and private resources, including schools, health care facilities, government agencies, neighborhood organizations, and other resources, will be coordinated and made accessible to families in target neighborhoods, including letters of intent from public and private agencies indicating their willingness to cooperate with the program;

(5) a detailed, proposed budget that demonstrates the ability of the program to accomplish the purposes of this section using grant money and other available resources, including funding sources other than a grant; and

(6) a comprehensive evaluation plan for measuring the success of the program in meeting the objectives of the overall grant program and the individual grant project, including an assessment of the impact of the program in terms of at least three of the following criteria:

(i) utilization rates of community services;

(ii) availability of support systems for families;

(iii) birth weights of newborn babies;

(iv) child accident rates;

(v) utilization rates of prenatal care;

(vi) reported rates of child abuse; and

(vii) rates of health screening and evaluation.

Sec. 46. Minnesota Statutes 1989 Supplement, section 145.926, subdivision 7, is amended to read:

Subd. 7. [ADVISORY COMMITTEES.] The commissioner of ~~state planning~~ education shall establish a program advisory committee consisting of persons knowledgeable in child development, child and family services, and the needs of people of color and high risk populations; and representatives of the ~~commissioners of state planning~~ departments of human services and education. Each grantee must establish a program advisory board of 12 or more members to advise the grantee on program design, operation, and evaluation. The board must include representatives of local units of government and representatives of the project area who reflect the geographic, cultural, racial, and ethnic diversity of that community.

Sec. 47. Minnesota Statutes 1989 Supplement, section 145.926, subdivision 8, is amended to read:

Subd. 8. [REPORT.] The commissioner of ~~state planning~~ education shall provide a biennial report to the legislature on the program administration and the activities of projects funded under this section.

Sec. 48. Minnesota Statutes 1988, section 145A.02, subdivision 16, is amended to read:

Subd. 16. [POPULATION.] "Population" means the total number of residents of the state or any city or county as established by the last federal census, by a special census taken by the United States Bureau of the Census, by the state demographer under section ~~116K.04, subdivision 4~~ 16B.90, or by an estimate of city population prepared by the metropolitan council, whichever is the most recent as to the stated date of count or estimate.

Sec. 49. Minnesota Statutes 1988, section 145A.09, subdivision 6, is amended to read:

Subd. 6. [BOUNDARIES OF COMMUNITY HEALTH SERVICE AREAS.] The community health service area of a multicounty or multicity community health board must be within a region designated under sections 462.381 to 462.398, unless this condition is waived by the commissioner with the approval of the regional development commission directly involved or the metropolitan council, if appropriate. In a region without a regional development commission, the commissioner of ~~the state planning agency~~ trade

and economic development shall act in place of the regional development commission.

Sec. 50. Minnesota Statutes 1988, section 169.126, subdivision 4b, is amended to read:

Subd. 4b. [EVALUATION.] The commissioner of public safety shall, with the assistance of the department of human services ~~and the state planning agency~~, monitor and evaluate the implementation and effects of the alcohol safety programs required in sections 169.124 to 169.126 and shall submit a written report to the legislature by January 1, 1989, containing the commissioner's findings and recommendations.

Sec. 51. Minnesota Statutes 1988, section 204B.14, subdivision 5, is amended to read:

Subd. 5. [PRECINCT BOUNDARIES; DESCRIPTION; MAPS.] Each municipal clerk shall prepare and file with the county auditor of each county in which the municipality is located, with the secretary of state and with the ~~state planning~~ department of administration commissioner maps showing the correct boundaries of each election precinct in the municipality. At least 30 days before any change in an election precinct or in a corporate boundary becomes effective, the municipal clerk shall prepare maps showing the new boundaries of the precincts and shall forward copies of these maps to the secretary of state, the appropriate county auditors and the ~~state planning~~ department of administration commissioner. The clerk shall retain copies of the precinct maps for public inspection. The county auditor shall prepare and file precinct boundary maps for precincts in unorganized territories, and the municipal clerk designated in the combination agreement shall prepare and file precinct boundary maps in the case of municipalities combined for election purposes under subdivision 8, in the same manner as provided for precincts in municipalities. For every election held in the municipality the election judges shall be furnished precinct maps as provided in section 201.061, subdivision 6.

Sec. 52. Minnesota Statutes 1988, section 214.141, is amended to read:

214.141 [ADVISORY COUNCIL; MEMBERSHIP.]

There is established a human services occupations advisory council to assist the commissioner of health in formulating policies and rules pursuant to section 214.13. The commissioner shall determine the council's duties and shall establish procedures for its proper functioning, including, but not limited to, methods for selecting temporary members and methods of communicating recommendations and advice to the commissioner for consideration. The council shall consist of no more than 15 members. ~~Thirteen~~ Twelve mem-

bers shall be appointed by the commissioner, one of whom the commissioner shall designate as chair. The members shall be selected as follows: four members shall represent currently licensed or registered human services occupations; two members shall represent human services occupations which are not currently registered; two members shall represent licensed health care facilities, which can include a health maintenance organization as defined in section 62D.02; one member shall represent the higher education coordinating board; ~~one member shall represent the state planning agency;~~ one member shall represent a third party payor to health care costs; and two members shall be public members as defined by section 214.02.

In cases in which the council has been charged by the commissioner to evaluate an application submitted under the provisions of section 214.13, the commissioner may appoint to the council as temporary voting members, for the purpose of evaluating that application alone, one or two representatives from among the appropriate licensed or registered human services occupations or from among the state agencies that have been identified under section 214.13, subdivision 2. In determining whether a temporary voting member or members should be appointed and which human services occupations or state agencies should be represented by temporary voting members, the commissioner shall attempt to systematically involve those who would be most directly affected by a decision to credential a particular applicant group and who are not already represented on the council. The terms of temporary voting members shall not exceed 12 months. The terms of the other council members, the compensation and removal of all members, and the expiration of the council shall be as provided in section 15.059.

Sec. 53. Minnesota Statutes 1989 Supplement, section 245.4873, subdivision 2, is amended to read:

Subd. 2. [STATE LEVEL; COORDINATION.] The commissioners or designees of commissioners of the departments of human services, health, education, ~~state planning,~~ and corrections, and a representative of the Minnesota district judges association juvenile committee, in conjunction with the commissioner of commerce or a designee of the commissioner shall meet at least quarterly through 1992 to:

(1) educate each agency about the policies, procedures, funding, and services for children with emotional disturbances of all agencies represented;

(2) develop mechanisms for interagency coordination on behalf of children with emotional disturbances;

(3) identify barriers including policies and procedures within all agencies represented that interfere with delivery of mental health services for children;

(4) recommend policy and procedural changes needed to improve development and delivery of mental health services for children in the agency or agencies they represent;

(5) identify mechanisms for better use of federal and state funding in the delivery of mental health services for children; and

(6) prepare an annual report on the policy and procedural changes needed to implement a coordinated, effective, and cost-efficient children's mental health delivery system.

This report shall be submitted to the legislature and the state mental health advisory council annually until February 15, 1992, as part of the report required under section 245.487, subdivision 4. The report shall include information from each department represented on:

(1) the number of children in each department's system who require mental health services;

(2) the number of children in each system who receive mental health services;

(3) how mental health services for children are funded within each system;

(4) how mental health services for children could be coordinated to provide more effectively appropriate mental health services for children; and

(5) recommendations for the provision of early screening and identification of mental illness in each system.

Sec. 54. Minnesota Statutes 1989 Supplement, section 245.697, subdivision 2a, is amended to read:

Subd. 2a. [SUBCOMMITTEE ON CHILDREN'S MENTAL HEALTH.] The state advisory council on mental health (the "advisory council") must have a subcommittee on children's mental health. The subcommittee must make recommendations to the advisory council on policies, laws, regulations, and services relating to children's mental health. Members of the subcommittee must include:

(1) the commissioners or designees of the commissioners of the departments of human services, health, education, ~~state planning,~~ and corrections;

(2) the commissioner of commerce or a designee of the commissioner who is knowledgeable about medical insurance issues;

(3) at least one representative of an advocacy group for children with emotional disturbances;

(4) providers of children's mental health services, including at least one provider of services to preadolescent children, one provider of services to adolescents, and one hospital-based provider;

(5) parents of children who have emotional disturbances;

(6) a present or former consumer of adolescent mental health services;

(7) educators currently working with emotionally disturbed children;

(8) people knowledgeable about the needs of emotionally disturbed children of minority races and cultures;

(9) people experienced in working with emotionally disturbed children who have committed status offenses;

(10) members of the advisory council;

(11) one person from the local corrections department and one representative of the Minnesota district judges association juvenile committee; and

(12) county commissioners and social services agency representatives.

The chair of the advisory council shall appoint subcommittee members described in clauses (3) to (11) through the process established in section 15.0597. The chair shall appoint members to ensure a geographical balance on the subcommittee. Terms, compensation, removal, and filling of vacancies are governed by subdivision 1, except that terms of subcommittee members who are also members of the advisory council are coterminous with their terms on the advisory council. The subcommittee shall meet at the call of the subcommittee chair who is elected by the subcommittee from among its members. The subcommittee expires with the expiration of the advisory council.

Sec. 55. Minnesota Statutes 1989 Supplement, section 256H.25, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP.] By January 1, 1990, the commissioner of ~~the state planning agency~~ human services shall convene and chair an interagency advisory committee on child care. In addition to the commissioner, members of the committee are the commissioners of each of the following agencies and departments:

health, human services, jobs and training, public safety, education, and the higher education coordinating board. The purpose of the committee is to improve the quality and quantity of child care and the coordination of child care related activities among state agencies.

Sec. 56. Minnesota Statutes 1989 Supplement, section 268.361, subdivision 3, is amended to read:

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of ~~the state planning agency~~ education.

Sec. 57. Minnesota Statutes Second 1989 Supplement, section 275.14, is amended to read:

275.14 [CENSUS.]

For the purposes of sections 275.124 to 275.16, the population of a city shall be that established by the last federal census, by a special census taken by the United States Bureau of the Census, by an estimate made by the metropolitan council, or by the state demographer made according to section ~~116K.04, subdivision~~ 4 16B.90, whichever has the latest stated date of count or estimate, before July 2 of the current levy year. The population of a school district must be as certified by the department of education from the most recent federal census.

In any year in which no federal census is taken pursuant to law in any school district affected by sections 275.124 to 275.16 a population estimate may be made and submitted to the state demographer for approval as hereinafter provided. The school board of a school district, in case it desires a population estimate, shall pass a resolution by July 1 containing a current estimate of the population of the school district and shall submit the resolution to the state demographer. The resolution shall describe the criteria on which the estimate is based and shall be in a form and accompanied by the data prescribed by the state demographer. The state demographer shall determine whether or not the criteria and process described in the resolution provide a reasonable basis for the population estimate and shall inform the school district of that determination within 30 days of receipt of the resolution. If the state demographer determines that the criteria and process described in the resolution do not provide a reasonable basis for the population estimate, the resolution shall be of no effect. If the state demographer determines that the criteria and process do provide a reasonable basis for the population estimate, the estimate shall be treated as the population of the school district for the purposes of sections 275.124 to 275.16 until the population of the school district has been established by the next federal census or until a more current population estimate is prepared and approved as provided herein, whichever occurs first. The state demographer shall establish guidelines for acceptable

population estimation criteria and processes. The state demographer shall issue advisory opinions upon request in writing to cities or school districts as to proposed criteria and processes prior to their implementation in an estimation. The advisory opinion shall be final and binding upon the demographer unless the demographer can show cause why it should not be final and binding.

In the event that a census tract employed in taking a federal or local census overlaps two or more school districts, the county auditor shall, on the basis of the best information available, allocate the population of said census tract to the school districts involved.

The term "council," as used in sections 275.124 to 275.16, means any board or body, whether composed of one or more branches, authorized to make ordinances for the government of a city within this state.

Sec. 58. Minnesota Statutes Second 1989 Supplement, section 275.51, subdivision 6, is amended to read:

Subd. 6. [POPULATION AND HOUSEHOLD ESTIMATES.] For the purpose of determining the amount of tax that a governmental subdivision may levy in accordance with limitation established by this chapter, the population or the number of households of the governmental subdivision shall be that established by the last federal census, by a census taken pursuant to section 275.14, or by an estimate made by the metropolitan council, or by the state demographer made pursuant to section ~~116K.04, subdivision 4~~ 16B.90, whichever is the most recent as to the stated date of count or estimate, for the calendar year preceding the current levy year.

Sec. 59. Minnesota Statutes 1989 Supplement, section 299A.30, subdivision 2, is amended to read:

Subd. 2. [DUTIES.] (a) The assistant commissioner shall gather and make available information on demand reduction and supply reduction throughout the state, foster cooperation among drug program agencies, and assist agencies and public officials in training and other programs designed to improve the effectiveness of demand reduction and supply reduction.

(b) The assistant commissioner shall coordinate the distribution of funds received by the state of Minnesota through the federal Anti-Drug Abuse Act. The assistant commissioner may obtain technical assistance from the ~~state planning agency~~ health department or human services department to perform this function. The assistant commissioner shall recommend to the commissioner recipients of grants under sections 299A.33 and 299A.34, after consultation with the drug abuse prevention resource council.

(c) The assistant commissioner shall:

(1) after consultation with all drug program agencies operating in the state, develop a state drug strategy encompassing the efforts of those agencies and taking into account all money available for demand reduction and supply reduction, from any source;

(2) submit the strategy to the governor and the legislature by January 15 of each year, along with a summary of demand reduction and supply reduction during the preceding calendar year;

(3) assist appropriate professional and occupational organizations, including organizations of law enforcement officers, prosecutors, and educators, in developing and operating informational and training programs to improve the effectiveness of demand reduction and supply reduction; and

(4) provide information and assistance to drug program agencies, both directly and by functioning as a clearinghouse for information from other drug program agencies.

Sec. 60. Minnesota Statutes 1989 Supplement, section 299A.31, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT; MEMBERSHIP.] A drug abuse prevention resource council consisting of 18 members is established. The commissioners of public safety, education, health, human services, ~~and the state planning agency,~~ and the attorney general shall each appoint one member from among their employees. The speaker of the house of representatives and the subcommittee on committees of the senate shall each appoint a legislative member. The governor shall appoint an additional ten members who shall demonstrate knowledge in the area of drug abuse prevention, shall represent the demographic and geographic composition of the state and, to the extent possible, shall represent the following groups: parents, educators, clergy, local government, racial and ethnic minority communities, professional providers of drug abuse prevention services, volunteers in private, nonprofit drug prevention programs, and the business community. The members shall designate one of the governor's appointees as chair of the council. Compensation and removal of members are governed by section 15.059.

Sec. 61. Minnesota Statutes 1989 Supplement, section 299A.40, subdivision 4, is amended to read:

Subd. 4. [ASSISTANT COMMISSIONER; ADMINISTRATION OF GRANTS.] The assistant commissioner shall develop a process for administering grants under subdivision 3. The process must be compatible with the community grant program administered ~~by the~~

~~state planning agency~~ under the Drug Free Schools and Communities Act, Public Law Number 100-690. The process for administering the grants must include establishing criteria the assistant commissioner shall apply in awarding grants. The assistant commissioner shall issue requests for proposals for grants under subdivision 3. The request must be designed to obtain detailed information about the applicant and other information the assistant commissioner considers necessary to evaluate and select a grant recipient. The applicant shall submit a proposal for a grant on a form and in a manner prescribed by the assistant commissioner. The assistant commissioner shall award grants under this section so that 50 percent of the funds appropriated for the grants go to the metropolitan area comprised of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington counties, and 50 percent of the funds go to the area outside the metropolitan area. The process for administering the grants must also include procedures for monitoring the recipients' use of grant funds and reporting requirements for grant recipients.

Sec. 62. Minnesota Statutes 1988, section 368.01, subdivision 1a, is amended to read:

Subd. 1a. [CERTAIN OTHER TOWNS.] Any town with a population of 1,000 or more that does not otherwise qualify pursuant to subdivision 1 to exercise the powers enumerated in this section, shall have and possess the enumerated powers upon an affirmative vote of the electors of the town at the annual town meeting. The population must be established by the most recent federal decennial census, special census as provided in section 368.015, or population estimate by the state demographer made according to section ~~116K.04, subdivision~~ 4 16B.90, whichever has the latest stated date of count or estimate.

Sec. 63. Minnesota Statutes Second 1989 Supplement, section 373.40, subdivision 1, is amended to read:

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

(a) "Bonds" means an obligation as defined under section 475.51.

(b) "Capital improvement" means acquisition or betterment of public lands, buildings, or other improvements within the county for the purpose of a county courthouse, administrative building, health or social service facility, correctional facility, jail, law enforcement center, hospital, morgue, library, park, and roads and bridges. An improvement must have an expected useful life of five years or more to qualify. "Capital improvement" does not include light rail transit or any activity related to it or a recreation or sports facility building (such as, but not limited to, a gymnasium, ice arena, racquet sports facility, swimming pool, exercise room or health spa), unless the

building is part of an outdoor park facility and is incidental to the primary purpose of outdoor recreation.

(c) "Commissioner" means the commissioner of trade and economic development.

(d) "Metropolitan county" means a county located in the seven-county metropolitan area as defined in section 473.121 or a county with a population of 90,000 or more.

(e) "Population" means the population established by the most recent of the following (determined as of the date the resolution authorizing the bonds was adopted):

(1) the federal decennial census,

(2) a special census conducted under contract by the United States Bureau of the Census, or

(3) a population estimate made either by the metropolitan council or by the state demographer under section ~~116K.04, subdivision 4, clause (10)~~ 16B.90.

(f) "Tax capacity" means total taxable tax capacity, but does not include captured tax capacity.

Sec. 64. Minnesota Statutes 1988, section 402.045, is amended to read:

402.045 [FUNCTION OF COMMISSIONER OF ~~STATE PLANNING AGENCY~~ HUMAN SERVICES.]

The commissioner of ~~state planning agency~~ human services shall have authority for human services development. The commissioner may appoint professional and clerical staff as the commissioner deems necessary. The commissioner of ~~state planning agency~~ human services shall:

(1) Support the development of human services boards and provide technical assistance to the boards;

(2) Disburse and monitor grants as may be available to assist human services board development;

(3) Receive and coordinate the review of annual human services board plans;

(4) Cooperate with other state agencies in assisting local human services integration projects; and

(5) Maintain a file on reports, policies and documents pertaining to human services boards.

Sec. 65. Minnesota Statutes 1988, section 462.384, subdivision 7, is amended to read:

Subd. 7. "Commissioner" means the commissioner of ~~state planning agency~~ jobs and training ~~exercising the authority conferred by sections 116K.01 to 116K.13~~.

Sec. 66. Minnesota Statutes 1989 Supplement, section 466A.05, subdivision 1, is amended to read:

Subdivision 1. [PAYMENT OF STATE MONEY.] Upon receiving from a city the certification that a community resources program has been adopted or modified, the commissioner of ~~state planning~~ trade and economic development shall, within 30 days after receiving the certification, pay to the city the amount of state money identified as necessary to implement the community resources program. State money may be paid to the city only to the extent that the appropriation limit for the city specified in subdivision 2 is not exceeded.

Sec. 67. Minnesota Statutes 1989 Supplement, section 469.203, subdivision 4, is amended to read:

Subd. 4. [CITY APPROVAL OF PROGRAM.] (a) For the purposes of this subdivision, "city" means the cities of Minneapolis and Duluth.

(b) Before adoption of a revitalization program under paragraph (c), the city must submit a preliminary program to the commissioner~~, the state planning agency,~~ and the Minnesota housing finance agency for their comments. The city may not adopt the revitalization program until comments have been received from the state agencies or 30 days have elapsed without response after the program was sent to them. Comments received by the city from the state agencies within the 30-day period must be responded to in writing by the city before adoption of the program by the city.

(c) The city may adopt a revitalization program only after holding a public hearing after the program has been prepared. Notice of the hearing must be provided in a newspaper of general circulation in the city and in the most widely circulated community newspaper in the targeted neighborhoods not less than ten days nor more than 30 days before the date of the hearing.

(d) A certification by the city that a revitalization program has been approved by the city council for the targeted neighborhood must be provided to the commissioner together with a copy of the

program. A copy of the program must also be provided to the Minnesota housing finance agency ~~and the state planning agency~~.

(e) A revitalization program for the city may be modified at any time by the city council after a public hearing, notice of which is published in a newspaper of general circulation in the city and in the targeted neighborhood at least ten days nor more than 30 days before the date of the hearing. If the city council determines that the proposed modification is a significant modification to the program originally certified under paragraph (d), the city council shall implement the revitalization program approval and certification process of this subdivision for the proposed modification.

Sec. 68. Minnesota Statutes 1989 Supplement, section 469.203, subdivision 5, is amended to read:

Subd. 5. [CITY OF SAINT PAUL APPROVAL.] (a) Notwithstanding any other law, including laws passed by the 1989 legislature, the city of St. Paul must use the process under this subdivision for developing and certifying an urban revitalization action program.

(b) For the purposes of this subdivision, "city" means the city of Saint Paul.

(c) A city may approve a preliminary revitalization program developed through a process that includes the citizen participation required under subdivision 2 only after holding a public hearing. Notice of the hearing must be provided in a newspaper of general circulation in the city and in the targeted neighborhoods not less than ten days nor more than 30 days before the date of the hearing. After the public hearing and after the city has incorporated any changes into the preliminary program as a result of the public hearing, the city may approve the preliminary program and shall submit the approved preliminary program for final approval to the review board.

(d) After approval, the city shall submit the preliminary program to the commissioner~~, the state planning agency,~~ and the Minnesota housing finance agency for their comments. The state agencies have 30 days to provide comments to the preliminary program. State agency comments must be submitted in writing to the review board established under paragraph (e).

(e) The city shall establish a city urban revitalization action program review board whose purpose is to review the preliminary program submitted by the city, and approve all or portions of the program. The review board consists of two city council members who represent targeted neighborhoods, two members representing the city's business community appointed by the chamber of commerce representing businesses in the city, and three residents of targeted neighborhoods appointed by the city council. Two members of the

house of representatives and one member of the state senate appointed by the city's legislative delegation shall be nonvoting members of the review board. Nonvoting legislative members of the review board shall represent targeted neighborhoods. A member of the review board may not be an elected public official, or in any way be involved in preparing or implementing the program or any portion of the program. The review board may require the city to contract for staff assistance in reviewing and approving the program. Persons who provide staff assistance to the review board may not be city employees or in any way involved in a formal or informal organization representing residents of a targeted neighborhood. The city may use state money available under section 469.204 to pay for the costs of staffing the review board.

(f) The review board shall review the city's preliminary program and approve all or portions of the program. In reviewing the program, the review board shall take into account any comments submitted by state agencies under paragraph (d). The review board may only reject the revitalization program or portions of the program for the following reasons:

(1) the revitalization program does not include the information required under subdivision 1;

(2) the city did not follow the community-based process required under subdivision 2 for developing the revitalization program; or

(3) the revitalization program results in undue concentration of targeted neighborhood money in a single proposed activity or project.

The review board may approve all of the preliminary program and submit it to the city council for certification under paragraph (g) or submit for certification only those specific portions of the program approved by the review board. If the review board does not approve a portion of the program, it shall specify in writing to the city the reasons for not approving that portion of the program and any recommendations for changes. If the review board determines that a portion of the program needs significant changes, it may require the city to implement the community participation process under subdivision 2 and state review under this subdivision for making changes to that portion of the program.

(g) The city council may, by formal resolution, certify only those portions of a program approved by the review board under paragraph (f). A certification by the city council that all or portions of a revitalization program has been approved by the review board must

be provided to the commissioner together with a copy of the approved portions of the program. A copy of the approved portions of the program must be submitted to the ~~state planning agency and~~ Minnesota housing finance agency.

(h) A revitalization program may be modified at any time by the city after a public hearing and approval by the review board. Notice of the public hearing must be published in a newspaper of general circulation in the city and in the targeted neighborhoods not less than ten days nor more than 30 days before the date of the hearing. If the review board determines that the proposed modification is a significant modification to the program originally certified under paragraph (g), it must require the implementation of the revitalization program approval and certification process under this subdivision for the proposed modification.

Sec. 69. Minnesota Statutes 1989 Supplement, section 469.207, is amended to read:

469.207 [ANNUAL AUDIT AND REPORT.]

Subdivision 1. [ANNUAL FINANCIAL AUDIT.] In 1989 and subsequent years, at the end of each calendar year, the legislative auditor shall conduct a financial audit to review the spending of state money under sections 469.201 to 469.207. Before spending state money to implement a revitalization program, the city must consult with the legislative auditor to determine appropriate accounting methods and principles that will assist the legislative auditor in conducting its financial audit. The results of the financial audit must be submitted to the legislative audit commission, the commissioner, ~~the state planning agency,~~ and the Minnesota housing finance agency.

Subd. 2. [ANNUAL REPORT.] A city that begins to implement a revitalization program in a calendar year must, by March 1 of the succeeding calendar year, provide a detailed report on the revitalization program or programs being implemented in the city. The report must describe the status of the program implementation and analyze whether the intended outcomes identified in section 469.203, subdivision 1, clause (4), are being achieved. The report must include at least the following:

(1) the number of housing units, including lost units, removed, created, lost, replaced, relocated, and assisted as a result of the program. The level of rent of the units and the income of the households affected must be included in the report;

(2) the number and type of commercial establishments removed, created, and assisted as a result of a revitalization program. The report must include information regarding the number of new jobs created by category, whether the jobs are full-time or part-time, and the salary or wage levels of both new and expanded jobs in the affected commercial establishments;

(3) a description of a statement of the cost of the public improvement projects that are part of the program and the number of jobs created for each $20,000 of money spent on commercial projects and applicable public improvement projects;

(4) the increase in the tax capacity for the city as a result of the assistance to commercial and housing assistance; and

(5) the amount of private investment that is a result of the use of public money in a targeted neighborhood.

The report must be submitted to the commissioner, the Minnesota housing finance agency, ~~the state planning agency,~~ and the legislative audit commission, and must be available to the public.

Sec. 70. Minnesota Statutes 1989 Supplement, section 473.156, subdivision 1, is amended to read:

Subdivision 1. [PLAN COMPONENTS.] The metropolitan council shall develop a short-term and long-term plan for existing and expected water use and supply in the metropolitan area. The plan shall be submitted to and reviewed by the ~~state planning agency~~ environmental quality board. At a minimum, the plans must:

(1) update the data and information on water supply and use within the metropolitan area;

(2) identify alternative courses of action, including water conservation initiatives and economic alternatives, in case of drought conditions; and

(3) recommend approaches to resolving problems that may develop because of water use and supply. Consideration must be given to problems that occur outside of the metropolitan area, but which have an effect within the area.

Sec. 71. Minnesota Statutes Second 1989 Supplement, section 477A.011, subdivision 3, is amended to read:

Subd. 3. [POPULATION.] Population means the population established by the most recent federal census, by a special census conducted under contract with the United States Bureau of the Census, by a population estimate made by the metropolitan council, or by a population estimate of the state demographer made pursuant to section ~~116K.04, subdivision 4, clause (10)~~ 16B.90, whichever is the most recent as to the stated date of the count or estimate for the preceding calendar year. The term "per capita" refers to population as defined by this subdivision.

Sec. 72. Minnesota Statutes Second 1989 Supplement, section 477A.011, subdivision 3a, is amended to read:

Subd. 3a. [NUMBER OF HOUSEHOLDS.] Number of households means the number of households established by the most recent federal census, by a special census conducted under contract with the United States bureau of the census, by an estimate made by the metropolitan council, or by an estimate of the state demographer made pursuant to section ~~116K.04, subdivision 4~~ 16B.90, whichever is the most recent as to the stated date of the count or estimate for the preceding calendar year.

Sec. 73. Minnesota Statutes 1988, section 477A.014, subdivision 4, is amended to read:

Subd. 4. The commissioner of state planning shall annually bill the commissioner of revenue for one-half of the costs incurred by the ~~state planning agency~~ department of administration in the preparation of materials required by section ~~116K.04, subdivision 4, clause (10)~~ 16B.90. The commissioner of revenue shall deduct these amounts from the next payments to be made to appropriate local units of government. Amounts deducted must be credited to the general fund.

Sec. 74. Minnesota Statutes 1989 Supplement, section 504.34, subdivision 5, is amended to read:

Subd. 5. [NOTICE; REQUEST FOR COMMENTS.] A government unit subject to this section must provide for public input in preparing the annual housing impact report, including a public comment period and a public hearing. The government unit must publish notice of its draft annual housing impact report in a newspaper of general circulation in the city by the deadline for completion of the draft annual housing impact report. The notice must include a request for comments on the draft annual housing impact report within the 30 days following the notice, and the date, time, and location of the public hearing on the draft annual housing impact report, to be held within 15 to 30 days following the date of notice. Copies of the notice must be sent to the neighborhood and citizen participation organizations, district planning councils, housing re-

ferral and information services, shelters, homeless and tenants advocacy groups, and legal aid offices in the city where the displaced low-income housing was located. Copies of the notice and the draft annual housing impact report must be submitted to ~~the state planning agency and~~ the Minnesota housing finance agency.

Sec. 75. Minnesota Statutes 1989 Supplement, section 504.34, subdivision 6, is amended to read:

Subd. 6. [FINAL ANNUAL HOUSING IMPACT REPORT.] In preparing and approving a final annual housing impact report, a government unit subject to this section must consider comments received during the comment period and at the public hearing on the draft report. The final report shall be prepared within 30 days following the deadline for receipt of comments on the draft annual housing impact report. The government unit shall publish notice of the final annual housing impact report in a newspaper of general circulation in the city. Copies of the notice must be sent to neighborhood and citizen participation organizations, district planning councils, housing referral and information services, shelters, homeless and tenants advocacy groups, and legal aid offices in the city where the displaced low-income housing was located. Copies of the notice and the draft annual housing impact report must be submitted to ~~the state planning agency and~~ the Minnesota housing finance agency.

Sec. 76. [REPEALER.]

Minnesota Statutes 1988, sections 40A.02, subdivision 2; 116E.01; 116E.02; 116E.04; 116K.01; 116K.02; 116K.03; 116K.04, as amended by Laws 1989, First Special Session chapter 1, article 18, section 17; 116K.05; 116K.06; 116K.07; 116K.08; 116K.09; 116K.10; 116K.11; 116K.12; and 116K.13 are repealed. Minnesota Statutes 1989 Supplement, sections 116E.03; 116E.035; and 116K.14 are repealed."

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government; providing for the transfer of certain money in the state treasury; fixing and limiting the amount of fees, penalties, and other costs to be collected in certain cases; creating, abolishing, modifying, and transferring agencies and functions; defining and amending terms; providing for settlement of claims; imposing certain duties, responsibilities, authority, and limitations on agencies and political subdivisions; consolidating certain funds and accounts and making conforming changes; changing the organization, operation, financing, and management of certain courts and related offices; amending Minnesota

Statutes 1988, sections 2.722, subdivision 1; 3C.035, subdivision 3; 3C.11, subdivision 2; 5.13; 11A.07, subdivision 5; 14.07, subdivisions 1 and 2; 14.08; 14.26; 14.53; 15.054; 15.06, subdivision 1; 15.50, by adding a subdivision; 15.51; 15.52, subdivisions 2 and 3; 15.53, subdivision 1; 15.56, subdivision 5; 15.59; 16A.10, by adding a subdivision; 16A.127, subdivisions 3 and 8; 16B.24, subdivision 5, and by adding subdivisions; 16B.28, subdivision 2; 16B.48, subdivisions 4 and 5; 16B.51, subdivision 2; 16B.53, subdivision 3; 16B.85, subdivisions 2, 3, and 5; 17.102, subdivision 4; 40A.08; 40A.151; 40A.152, subdivision 3; 40A.16; 41A.04, subdivision 1; 41A.05, subdivision 2; 41A.051; 41A.066, subdivision 1; 62D.122; 62J.02, subdivisions 2 and 3; 84.027, by adding a subdivision; 84.154, subdivision 5; 84.943; 84A.53; 84A.54; 89.37, subdivision 4; 89.58; 92.67, subdivision 5; 97A.065, subdivision 2; 105.485, subdivision 3; 110B.04, subdivision 7; 110B.08, subdivision 5; 115.103, subdivision 1; 115A.072, subdivision 1; 115A.15, subdivision 6; 116.36, subdivision 1; 116.65, subdivision 3; 116C.03, subdivisions 4 and 5; 116C.712, subdivisions 3 and 5; 116D.04, subdivisions 5a and 10; 116D.045, subdivision 3; 116J.971, by adding a subdivision; 116J.980; 116L.03, by adding a subdivision; 116P.11; 121.496, subdivision 3; 126.115, subdivision 3; 144.226, subdivision 3; 144.70, subdivision 2; 144.8093, subdivisions 2, 3, and 4; 144A.31, subdivision 1; 144A.33, subdivision 4; 145A.02, subdivision 16; 145A.09, subdivision 6; 157.045; 169.126, subdivision 4b; 171.06, subdivision 2a; 176B.02; 176B.04; 181.953; 183.545, subdivision 9; 184.33, subdivision 1, and by adding a subdivision; 184.35; 190.08, by adding a subdivision; 192.85; 196.054, subdivision 2; 197.23, subdivision 2; 201.023; 204B.14, subdivision 5; 214.141; 240A.02, subdivisions 1 and 3; 240A.03, subdivision 13, and by adding a subdivision; 243.48, subdivision 1; 268.026, subdivision 2; 268.677, subdivision 2; 268.681, subdivision 3; 270.68, subdivision 1; 272.38, subdivision 1; 282.014; 290A.19; 296.06, subdivision 2; 296.12, subdivisions 1 and 2; 296.17, subdivisions 10 and 17; 297.03, subdivision 5a; 297.04, subdivision 4; 299D.03, subdivision 5; 326.37; 326.47, subdivision 3; 326.52; 326.75, subdivision 4; 349.22, subdivision 2; 349.36; 349.52, subdivision 3; 352.92, subdivision 2; 352B.02, subdivision 1c; 353D.01, subdivision 2; 354.42, subdivision 5; 363.073, by adding a subdivision; 368.01, subdivision 1a; 402.045; 462.384, subdivision 7; 477A.014, subdivision 4; 480A.01, subdivision 3; 481.14; 484.54, subdivision 1; 484.545, subdivision 1; 484.68, subdivision 2, and by adding a subdivision; 484.70, subdivision 1; 485.03; 486.01; 487.32, subdivisions 2 and 3; 487.33, by adding a subdivision; 611.20; 611.215, subdivision 1; 611.26, subdivision 3; 611.27; 611.271; 629.292, subdivision 1; Minnesota Statutes 1989 Supplement, sections 3.30, subdivisions 1 and 2; 5.18; 15A.081, subdivision 1; 16A.11, subdivision 3; 16A.133, subdivision 1; 16A.531, by adding a subdivision; 16B.24, subdivision 6; 16B.28, subdivision 3; 16B.465, subdivision 1; 16B.48, subdivision 2; 17.49, subdivision 1; 18.0225; 41A.05, subdivision 1; 43A.02, subdivision 25; 43A.24, subdivision 2; 84.928, subdivision 2; 84A.51, subdivision 2; 85.205; 89.035; 89.036; 97A.475, subdivision 2; 103H.101, subdivision 4; 103H.175; 105.41, subdivision 5a; 115A.54, subdivision 2a;

115A.923, subdivision 2; 116.85; 116C.03, subdivision 2; 116J.01, subdivision 3; 116J.58, subdivision 1; 116J.617, subdivision 5; 116J.955, subdivision 1; 116J.9673, subdivision 4; 116J.971; 116L.03, subdivision 2; 129B.13, subdivisions 2, 3, 8, 9, 10, 12, 14, 15, and 16; 144.861; 145.926, subdivisions 1, 4, 5, 7, and 8; 169.686, subdivision 3; 183.357, subdivision 4; 190.25, subdivision 3; 216D.08, subdivision 3; 245.4873, subdivision 2; 245.697, subdivision 2a; 246.18, subdivision 3a; 256H.25, subdivision 1; 268.361, subdivision 3; 270.06; 270.064; 299A.30, subdivision 2; 299A.31, subdivision 1; 299A.40, subdivision 4; 299F.641, subdivision 8; 299J.12, subdivision 1; 336.9-413; 352.04, subdivisions 2 and 3; 357.021, subdivision 2; 357.022; 357.08; 363.073, subdivision 1; 466A.05, subdivision 1; 469.203, subdivisions 4 and 5; 469.204, subdivision 2; 469.205, by adding a subdivision; 469.207; 473.156, subdivision 1; 480.242; 484.68, subdivision 5; 485.018, subdivision 5; 486.05, subdivisions 1 and 1a; 486.06; 487.31, subdivision 1; 504.34, subdivisions 5 and 6; 611.215, by adding a subdivision; and 611.26, subdivision 2; Minnesota Statutes Second 1989 Supplement, sections 3.885, subdivisions 3, 5, and 6; 275.14; 275.51, subdivision 6; 297A.44, subdivision 1; 357.021, subdivision 1a; 373.40, subdivision 1; 477A.011, subdivisions 3 and 3a; 477A.012, subdivision 4; Laws 1987, chapter 404, section 192, subdivision 2; Laws 1988, chapters 648, section 3; and 686, article 1, section 52; Laws 1989, chapter 335, article 1, sections 4, 36, and 42, subdivision 2; article 3, sections 38; and 58, as amended; and article 4, section 107; Laws 1989, First Special Session chapter 1, article 24, section 2; proposing coding for new law in Minnesota Statutes, chapters 4, 6, 15, 16A, 16B, 43A, 116, 116J, 174, 240A, 256, 268, 297C, 462A, and 484; proposing coding for new law as Minnesota Statutes, chapter 484A; repealing Minnesota Statutes 1988, sections 3C.056; 14.32, subdivision 2; 40A.02, subdivision 2; 84A.51, subdivision 1; 85.30; 116E.01; 116E.02; 116E.04; 116J.971, subdivisions 1, 2, 4, 5, and 10; 116K.01 to 116K.03; 116K.04, as amended; 116K.05 to 116K.13; 116N.01; 116N.02, as amended; 116N.03 to 116N.07; 116N.08, as amended; 184.34; 256.481; 256.482, as amended; 268.681, subdivision 4; 299J.18; 326.82; 480.252; 480.254; 484.55; 485.018, subdivision 2a; 486.07; 487.10, subdivisions 2 and 4; and 487.13; Minnesota Statutes 1989 Supplement, sections 3C.035, subdivision 2; 8.15; 97B.301, subdivision 5; 116E.03; 116E.035; 116J.970; 116J.971, subdivisions 3 and 9; 116K.14; 116O.03, subdivision 2a; 357.021, subdivision 2a; 469.203, subdivision 5; 480.241; 480.242, subdivision 4, as amended; 480.256; and 484.545, subdivisions 2 and 3; Minnesota Statutes Second 1989 Supplement, section 3.885, subdivision 1a; Laws 1988, chapter 686, article 1, section 3, paragraph (c); Laws 1989, chapter 303, section 10; Minnesota Rules, part 4410.3800, subparts 1 and 3."

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 2646, A bill for an act relating to human services; long-term care; establishing methods to determine recommended rates for day training and habilitation services; allowing a waiver for personal care services; clarifying definitions of certain facilities; establishing requirements for home care services; exempting certain persons from preadmission nursing home screening; clarifying allocations for alternative care grants; establishing limits on the investment per bed for newly constructed or established long-term care facilities; clarifying eligibility requirements for continued services; amending Minnesota Statutes 1988, sections 256B.04, subdivision 16; 256B.055, subdivision 12; 256B.091, subdivisions 4 and 6; 256B.48, subdivision 2; 256B.49, by adding a subdivision; 256B.50, subdivisions 1 and 1b; and 256B.501, by adding a subdivision; Minnesota Statutes 1989 Supplement, sections 252.46, subdivision 4; 256B.091, subdivision 8; and 256B.495, subdivision 1; Laws 1988, chapter 689, article 2, section 256, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 256B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

APPROPRIATIONS

Section 1. [HUMAN SERVICES; HEALTH; APPROPRIATIONS.]

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or another fund named, to the agencies and for the purposes specified in this act, to be available for the fiscal years indicated for each purpose. The figures "1990" and "1991," where used in this article, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1990, or June 30, 1991, respectively.

SUMMARY BY FUND

	1990	1991	TOTAL
General	$40,607,000	$74,372,900	$114,979,900
Special Revenue	$ 50,000	$ 6,091,000	$ 6,141,000
TOTAL	$40,657,000	$80,463,900	$121,120,900

	APPROPRIATIONS Available for the Year Ending June 30, 1990	1991
Sec. 2. HUMAN SERVICES		
Subdivision 1. Appropriation by Fund		
General Fund	$40,604,000	$74,576,000
This appropriation is added to the appropriation in Laws 1989, chapter 282, article 1, section 2.		
Subd. 2. Human Services Administration	-0-	150,000
Subd. 3. Legal and Intergovernmental Programs	-0-	(37,000)
Subd. 4. Social Services	3,248,000	15,402,000
Notwithstanding the provisions of Minnesota Statutes, section 254B.02, money appropriated for the consolidated chemical dependency treatment fund for fiscal year 1990 may be allocated as needed to the reserve accounts created by Minnesota Statutes, sections 254B.02, subdivision 3; 254B.09, subdivision 5; and 254B.09, subdivision 7.		
Money appropriated in Laws 1989, chapter 282, article 1, section 2, subdivision 4, for the Joining Forces pilot projects does not cancel, but is available for fiscal year 1991.		
Subd. 5. Mental Health	-0-	196,000
Notwithstanding the provisions of Laws 1989, chapter 282, article 1, section 2, subdivision 5, $102,000 is transferred in fiscal year 1991 from state mental health grants to state mental health administration, and 2.25 positions are authorized to implement federal requirements relating to nursing homes and people with mental illness.		

	1990	1991
	$	$
$500,000 is transferred from the appropriation in Laws 1989, chapter 282, article 1, section 2, subdivision 5, in fiscal year 1990 for state mental health grants to fiscal year 1991 for state mental health special projects. These funds are to be used for alternative placements for people being discharged from the Metro Regional Treatment Center.		
Subd. 6. Family Support Programs	(3,352,000)	(2,500,000)
(a) Aid to Families with Dependent Children, General Assistance, Work Readiness, and Minnesota Supplemental Aid		
	$(2,352,000)	$(1,202,000)
(b) Family Support Programs Administration		
	$(1,000,000)	$(1,298,000)
During the biennium ending June 30, 1991, the commissioner may request, and providers receiving General Assistance or Minnesota Supplemental Aid negotiated rate payments must provide, information about their operating costs and property costs used in determining their negotiated rates. This information must be provided in a format specified by the commissioner.		
Money appropriated in Laws 1989, chapter 282, article 1, section 2, subdivision 6, for assisting in the development of a statewide negotiated rate setting system does not cancel to the general fund but is available in fiscal year 1991.		
The commissioner of human services shall postpone the implementation of the establishment of program operating cost payment rates as provided in		

	1990	1991
	$	$
Minnesota Statutes, section 256B.501, subdivision 3g, until October 1, 1992. Beginning January 1, 1990, each facility's interdisciplinary team shall assess each new admission to the facility. The quality assurance and review teams in the department of health shall continue to assess all residents annually. The quality assurance and review teams and the interdisciplinary team shall assess residents using a uniform assessment instrument developed by the commissioner of human services and the ICF/MR reimbursement and quality assurance and review procedures manual. The commissioner of human services shall annually collect client statistical data based on assessments performed by the quality assurance and review teams and by the interdisciplinary team on the cost reports submitted by the facility and may use this data in the calculation of operating cost payment rates after October 1, 1992.		
Money appropriated in Laws 1989, chapter 282, article 1, section 2, subdivision 6 for administration and maintenance of the child support enforcement information system does not cancel but is available for fiscal year 1991 to finalize development of the system.		
Subd. 7. Health Care Programs	40,708,000	61,665,000
(a) Medical Assistance, General Assistance Medical Care, Preadmission Screening and Alternative Care Grants, and Children's Health Plan		
$40,708,000 $59,715,000		
Money appropriated for preadmission screening and alternative care grants in fiscal year 1991 may be used for these purposes in fiscal year 1990.		

	1990	1991
	$	$

Effective for services rendered on or after July 1, 1990, payments for obstetrical and pediatric services to medical assistance recipients shall be increased by 15 percent. This increase shall be applied to the provider categories under section 6402(b) of the Omnibus Budget Reconciliation Act of 1989, and applicable federal guidelines. For obstetrical services, this increase is in addition to the ten percent increase effective October 1, 1988.

Notwithstanding the provisions of Laws 1989, chapter 282, article 1, section 2, subdivision 7, clause (a), the 50th percentile of the prevailing charge for 1982 will be estimated by the commissioner in the following situations:

(1) there were less than ten billings in the calendar year specified in legislation governing maximum payment rates;

(2) the service was not available in the calendar year specified in legislation governing maximum payment rates;

(3) the payment amount is the result of a provider appeal;

(4) the procedure code description has changed since the calendar year specified in legislation governing maximum payment rates, therefore, the prevailing charge information reflects the same code but a different procedure description; or

(5) the 50th percentile reflects a payment which is grossly inequitable when compared with payment rates for procedures or services which are substantially similar.

When one of the above situations occur, the commissioner will use the following

	1990	1991
	$	$

methodology to reconstruct a rate comparable to the 50th percentile of the prevailing rate:

(1) refer to information which exists for the first nine billings in the calendar year specified in legislation governing maximum payment rates; or

(2) refer to surrounding or comparable procedure codes; or

(3) refer to the 50th percentile of years subsequent to the calendar year specified in legislation governing maximum payment rates; and backdown the amount by applying an appropriate Consumer Price Index formula; or

(4) refer to relative value indexes; or

(5) refer to reimbursement information from other third parties, such as Medicare.

Pharmacies whose computer systems failed to recognize pharmacy claims for one or more nursing homes for the period May through December 1987 may be reimbursed for the state share of the medical assistance allowable payment for the cost of those claims.

The $480,000 appropriated to the Children's Health Plan for outpatient mental health benefits, by Laws 1989, chapter 282, article 1, section 2, subdivision 7, paragraph (c), shall be used to serve children enrolled in the Children's Health Plan. The department of human services in preparing its 1992-1993 biennial budget shall calculate the expected costs of the outpatient mental health component of the Children's Health Plan on the basis of increasing the number of children enrolled for this service beyond the

	1990	1991
	$	$

number of children enrolled for the service on June 30, 1991.

(b) Health Care Programs Administration $ 0 $1,950,000

For fiscal years 1990 and 1991, federal receipts received for review of medical assistance prepaid health plan activities and for the study of utilization of outpatient mental health services by children enrolled in medical assistance are appropriated to the commissioner for these purposes.

For fiscal years 1990 and 1991, federal money received as a result of state expenditures for the development of an early childhood screening tool to screen for mental health problems in children through the early, periodic, screening, diagnosis, and treatment component of the medical assistance program is appropriated to the commissioner for this development work.

Notwithstanding Laws 1989, chapter 282, article 3, section 62, or any other law to the contrary, for the biennium ending June 30, 1991, the commissioner may transfer money from the contracts account to the salaries account to hire qualified persons to provide case management to brain injured persons.

Before collecting the changed parental contribution under article 2, section 35, counties must provide 30 days advance notice of an increased or new parental contribution.

The commissioner of human services, in consultation with the commissioners of revenue and commerce, shall study issues related to prescription drug costs. Issues to be examined shall include, but are not limited to: levels of

	1990	1991
	$	$
copayments and deductibles for prescription drug coverage, the cost of prescription drugs, the need for prescription drug coverage among the general population, and the feasibility of private and public initiatives to ensure affordable prescription drug coverage. The commissioner of human services shall report findings and recommendations to the legislature by February 15, 1991.		
$70,000 is appropriated to the commissioner of human services for fiscal year 1991 for a regional demonstration project under Minnesota Statutes, section 256B.73, to provide health coverage to low-income uninsured persons. This appropriation is available when the planning for the project is complete, sufficient money has been committed from nonstate sources to allow the project to proceed, and the project is prepared to begin accepting and approving applications from uninsured individuals. The commissioner shall contract with the coalition formed for the nine counties named in Minnesota Statutes, section 256B.73, subdivision 2.		
Subd. 8. State Residential Facilities	-0-	(300,000)
Sec. 3. VETERANS NURSING HOMES BOARD	-0-	(1,875,000)
The appropriation to the Veterans Nursing Homes Board for the operation of the Silver Bay Veteran's Nursing Home is reduced by $1,700,000 for fiscal year ending June 30, 1991. This reduction shall not be a reduction in the budget base for the board in the biennium beginning July 1, 1991.		

	1990	1991
	$	$
Sec. 4. COMMISSIONER OF JOBS AND TRAINING		
Subdivision 1. Appropriation by Fund		
General Fund	-0-	(550,000)
Special Revenue Fund	-0-	6,000,000

This appropriation is added to the appropriation in Laws 1989, chapter 282, article 1, section 5.

Subd. 2. Economic Opportunity Office

Special Revenue Fund

-0- 6,000,000

Subd. 3. Employment and Training

General Fund

-0- (550,000)

$200,000 of funds made available to the state under United States Code, title 42, section 1103, is appropriated from the unemployment compensation fund to the commissioner of jobs and training and is available for obligation until two years after the date of enactment of this section for use in the procurement of electronic data processing equipment by the department of jobs and training for administration of the unemployment compensation program and the system of public employment offices. The amount that may be obligated during a fiscal year is limited as required by United States Code, title 42, section 1104(d)(2)(D).

MEED service providers may retain 75 percent of outstanding payback funds they collect to be used for the cost of collection and for program closeout activities without regard to existing cost category requirements. The commis-

	1990	1991
	$	$

sioner of jobs and training may retain the following money, up to a total of $70,000, to be used to close out the MEED program: 25 percent of the outstanding payback funds collected by MEED service providers, 100 percent of payback funds collected by the collection agency under contract with the department, and any remaining unspent payback funds in the special revenue account.

The commissioner of jobs and training shall estimate the amount of unobligated funds anticipated by each service provider in the Minnesota employment and economic development program on June 30, 1990, and shall reduce the amount available to each local service unit service provider by the estimated amount. If the total estimated amount is less than $500,000, the commissioner shall reduce each local service unit service provider proportionately to bring the total of unobligated funds to $500,000.

Notwithstanding Laws 1989, chapter 282, article 1, section 5, subdivision 5, any balance remaining in the first year of the appropriation for the Minnesota employment and economic development program does not carry forward to the second year.

The commissioner of jobs and training may include as a budget change request in the fiscal year 1992 and 1993 detailed expenditure budget submitted to the legislature under Minnesota Statutes, section 16A.11, an annual adjustment in the extended employment program grants as of July 1 of each year, beginning July 1, 1991, by a percentage amount equal to the percentage increase, if any, in the consumer price index (CPI-U-U.S.) city average, as published by the Bureau of Labor Statistics, United States Depart-

	1990	1991
	$	$

ment of Labor, during the preceding calendar year for the biennium ending June 30, 1993.

Sec. 5. CORRECTIONS

Subdivision 1. Total Appropriation	-0-	2,111,900

This appropriation is added to the appropriation in Laws 1989, chapter 282, article 1, section 6.

Subd. 2. Correctional Institutions

-0-	1,754,900

$1,754,900 is appropriated to the commissioner of corrections for the biennium ending June 30, 1991, for the purpose of services to adult women commitments at the Moose Lake Regional Treatment Center. These funds may be used to fund these services at other sites or through contracts if locating at the Moose Lake Regional Treatment Center is not feasible.

For the biennium ending June 30, 1991, and effective May 1, 1990, the commissioner of corrections may, with the approval of the commissioner of finance and upon notification of the chairs of the health and human services divisions of the house appropriations committee and the health and human services subcommittee of the senate finance committee, transfer funds to or from salaries.

For the commissioner of corrections, any unencumbered balances remaining from fiscal year 1990 shall not cancel, but are available for the second year of the biennium.

Subd. 3. Community Services

-0-	357,000

	1990	1991
	$	$
Notwithstanding any law to the contrary, whenever the commissioner of corrections selects inmates under the commissioner's control for the purpose of any work under agreement with any other state department or agency or local unit of government, or any other government subdivision, the state department or agency or local unit, or any other government subdivision, must certify to the appropriate bargaining unit representative that the work performed by inmates will not result in the displacement of currently employed workers or workers on seasonal layoff or layoff from a substantially equivalent position, including partial displacement such as reduction in hours of nonovertime work, wages, or other employment benefits.		
Sec. 6. SENTENCING GUIDELINES COMMISSION	3,000	5,000
Funds provided to the sentencing guidelines commission to cover rent increases for staff offices shall be included in the calculation of their fiscal year 1992-1993 base.		
The Minnesota sentencing guidelines commission is authorized to use the $38,000 appropriated in fiscal year 1991 for a study on the mandatory minimum sentencing law to also complete the study on correctional resources.		
Sec. 7. HEALTH		
Subdivision 1. Appropriation by Fund		
General Fund	-0-	105,000
This appropriation is added to the appropriation in Laws 1989, chapter 282, article, section 9.		

	1990	1991
	$	$
Subd. 2. Preventive and Protective Health Services		
	-0-	(387,000)

$56,450 is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1991, to validate the respiratory health findings of the Childhood Respiratory Health Feasibility Study. The commissioner shall present the results of this follow-up study and recommendations to the legislature by December 1, 1992.

For the fiscal year ending June 30, 1991, the commissioner of health is authorized to accept up to $231,904 in federal funding for indoor radon abatement if granted by the United States Environmental Protection Agency (EPA).

Subd. 3. Health Delivery Systems		
	-0-	352,000

$150,000 is appropriated to the commissioner of the department of health for the purpose of grants to rural hospitals in isolated areas of the state for the biennium ending June 30, 1991. In order to qualify for financial assistance, a hospital must be eligible to be classified as a sole-community hospital according the Code of Federal Regulations, title 42, section 412.92, have experienced net income losses in two of the most recent consecutive hospital fiscal years for which audited financial information is available, and consist of fewer than 50 licensed beds. Prior to application for state assistance, the hospital must have developed a strategic plan.

By January 15, 1991, the department of health shall submit to the legisla-

	1990	1991
	$	$

ture, a bill providing for the licensure of residential care homes. The bill shall be based on information contained in the joint report of the departments of health and human services to the legislature prepared in accordance with Laws 1989, chapter 282, article 2, section 213. The proposal for the licensure of residential care homes shall also estimate the fiscal impact associated with implementation of a licensure program on the state, counties, and on providers of these services. The department of human services and the interagency board for quality assurance shall cooperate with the department of health in developing the legislative proposal and fiscal data. $100,000 is appropriated from the general fund to the department of health for the purposes of completing this activity.

Notwithstanding the provisions of Minnesota Statutes, section 245A.03, subdivision 2, board and lodging establishments licensed by the commissioner of health that provide services for five or more persons whose primary diagnosis is mental illness and who have refused an appropriate residential program offered by a county agency shall be exempt from licensure under Minnesota Statutes, sections 245A.01 to 245A.16, until the residential care home license is available. At that time, these establishments shall be licensed under the provisions of Minnesota Statutes, sections 245A.01 to 245A.16, or as a residential care home.

Notwithstanding the provisions of Minnesota Statutes, section 256I.05, subdivision 7, payments to recipients residing in a board and lodging establishment that must meet the special services licensing rules established by the commissioner of health under the provisions of Minnesota Statutes, section 157.031, for which the county has

	1990	1991
	$	$

a negotiated rate, shall be increased to cover the necessary additional costs incurred by the establishment to meet the rule requirements. The necessary additional costs shall be determined by the county in which the establishment is located and approved by the commissioner of human services. In order for a recipient to receive the increased payment, a board and lodging establishment must submit information to support the necessary additional costs on forms provided by the commissioner of human services.

The special service licensing rules for board and lodging establishments required under the provisions of Minnesota Statutes, section 157.031, shall be adopted by July 1, 1991.

Notwithstanding the provisions of Minnesota Statutes, section 144A.48, subdivision 2, clause (9), the commissioner of health may issue a hospice license to a free standing residential facility that was registered and was providing hospice services as of March 1, 1990, if such facility is licensed as a board and lodging facility, provides services to no more than six residents, meets Group R, Division 3 occupancy requirements and meets the fire protection provisions of chapter 21 of the 1985 Life Safety Code, NFPA 101, for facilities housing persons with impractical evacuation capabilities. Continued licensure as a hospice shall be contingent on the facility's compliance with the department of health rules for hospices and for board and lodging facilities providing health supervision services upon adoption of those rules.

For the fiscal year ending June 30, 1991, the commissioner of health may transfer funds between the emergency medical systems review and the rural hospital and health professional study.

	1990	1991
	$	$
Subd. 4. Health Support Services		
	-0-	140,000

Notwithstanding any law to the contrary, the commissioner of health may carry forward into fiscal year 1991 any unobligated balances of fiscal year 1990 appropriations in an amount not to exceed $260,000. These balances are to be used solely for payment of increased rental costs in fiscal year 1991. If such balances are less than $260,000, the commissioner of health may use unobligated salary appropriations in fiscal year 1991 to pay for increased rental costs so that the combined total of funds carried forward and use of unobligated salary appropriations spent for this purpose does not exceed $260,000.

Sec. 8. HEALTH RELATED BOARDS

Subdivision 1. Total Appropriation

Special Revenue Fund	50,000	91,000
Subd. 2. Social Work		
	-0-	82,000
Subd. 3. Psychology		
	46,000	-0-
Subd. 4. Optometry		
	4,000	4,000
Subd. 5. Pharmacy		
	-0-	5,000

Sec. 9. [EFFECTIVE DATE.]

Subdivision 1. [REED ACT MONEY.] The appropriation in section 4, subdivision 3, of REED Act money available to the state under United States Code, title 42, section 1103, is effective the day following final enactment.

Subd. 2. [UNOBLIGATED MEED PROGRAM MONEY.] The provision in section 4, subdivision 3, that requires a reduction in funds for the Minnesota employment and economic development program based upon unobligated funds is effective the day following final enactment.

ARTICLE 2

HEALTH DEPARTMENT; SOCIAL SERVICES

Section 1. Minnesota Statutes 1988, section 4.071, is amended to read:

4.071 [OIL OVERCHARGE MONEY.]

Subdivision 1. [APPROPRIATION REQUIRED.] "Oil overcharge money" means money received by the state as a result of litigation or settlements of alleged violations of federal petroleum pricing regulations. Oil overcharge money may not be spent until ~~the legislative commission on Minnesota resources has reviewed the proposed projects and the money~~ it is specifically appropriated by law.

Subd. 2. [MINNESOTA RESOURCES PROJECTS.] The legislature intends to appropriate one-half of the oil overcharge money for projects that have been reviewed and recommended by the legislative commission on Minnesota resources. A work plan must be prepared for each proposed project for review by the commission. The commission must recommend specific projects to the legislature.

Subd. 3. [ENERGY CONSERVATION PROJECTS.] The oil overcharge money that is not otherwise appropriated by law or dedicated by court order is appropriated to the commissioner of jobs and training for energy conservation projects that directly serve low-income Minnesotans. This appropriation is available until spent.

Sec. 2. Minnesota Statutes 1989 Supplement, section 116.76, subdivision 9, is amended to read:

Subd. 9. [GENERATOR.] "Generator" means a person whose activities produce infectious waste. "Generator" does not include a person who produces sharps as a result of administering medication to oneself. "Generator" does not include an ambulance service licensed under section 144.802, an eligible board of health, community health board, or public health nursing agency as defined in

section 116.78, subdivision 10, or a program providing school health service under section 123.35, subdivision 17.

Sec. 3. Minnesota Statutes 1989 Supplement, section 116.78, is amended by adding a subdivision to read:

Subd. 9. [DISPOSAL OF INFECTIOUS WASTE BY AMBULANCE SERVICES.] Any infectious waste, as defined in section 116.76, subdivision 12, produced by an ambulance service in the transport or care of a patient must be properly packaged and disposed of at the destination hospital or at the nearest hospital if the patient is not transported. A hospital must accept the infectious waste if it is properly packaged according to the standards the hospital uses for packaging its own infectious wastes. The hospital may charge the ambulance service a reasonable fee for disposal of the infectious waste. Nothing in this subdivision shall require a hospital to accept infectious waste if the waste is of a type not generated by the hospital or if the hospital cannot safely store the waste.

Sec. 4. Minnesota Statutes 1989 Supplement, section 116.78, is amended by adding a subdivision to read:

Subd. 10. [DISPOSAL OF INFECTIOUS WASTE BY PUBLIC HEALTH AGENCIES AND PROGRAMS PROVIDING SCHOOL HEALTH SERVICES.] Any infectious waste, as defined in section 116.76, subdivision 12, produced by an eligible board of health, community health board, or public health nursing agency or a program providing school health services under section 123.35, subdivision 17, must be properly packaged and may be disposed of at a hospital. For purposes of this subdivision, an "eligible board of health, community health board, or public health nursing agency" is defined as a board of health, community health board, or public health nursing agency located in a county with a population of less than 40,000. A hospital must accept the infectious waste if it is properly packaged according to the standards the hospital uses for packaging its own infectious wastes. The hospital may charge an eligible board of health, community health board, or public health nursing agency or a program providing school health services a reasonable fee for disposal of the infectious waste. Nothing in this subdivision shall require a hospital to accept infectious waste if the waste is of a type not generated by the hospital or if the hospital cannot safely store the waste.

Sec. 5. [144.062] [VACCINE COST REDUCTION PROGRAM.]

The commissioner of administration, after consulting with the commissioner of health, may negotiate discounts or rebates on vaccine or may purchase vaccine at reduced prices, and offer it to medical care providers at the department's cost plus a fee for administrative costs. As a condition of receiving the vaccine at

reduced cost, a medical care provider must agree to pass on the savings to patients. The commissioner of health may transfer money appropriated for other department of health programs to the commissioner of administration for the initial cost of purchasing vaccine, provided the money is repaid by the end of each state fiscal year and the commissioner of finance approves the transfer. Proceeds from the sale of vaccines to medical care providers are appropriated to the commissioner of administration. If the commissioner of administration, in consultation with the commissioner of health, determines that a vaccine cost reduction program is not economically feasible or cost effective, the commissioner may elect not to implement the program, but shall provide a report to the legislature that explains the reasons for the decision.

Sec. 6. [144.1465] [FINDING AND PURPOSE.]

The legislature finds that rural hospitals are an integral part of the health care delivery system and are fundamental to the development of a sound rural economy. The legislature further finds that access to rural health care must be assured to all Minnesota residents. The rural health care system is undergoing a restructuring that threatens to jeopardize access in rural areas to quality health services. To assure continued rural health care access the legislature proposes to establish a grant program to assist rural hospitals and their communities with the development of strategic plans and transition projects, provide subsidies for geographically isolated hospitals facing closure, and examine the problem of recruitment and retention of rural physicians, nurses, and other allied health care professionals.

Sec. 7. [144.147] [RURAL HOSPITAL PLANNING AND TRANSITION GRANT PROGRAM.]

Subdivision 1. [DEFINITION.] "Eligible rural hospital" means any nonfederal, general acute care hospital that is either:

(1) located in a rural area, as defined in the federal Medicare regulations, United States Code, title 42, section 405.1041, or located in a community with a population of less than 5,000, according to United States Census Bureau statistics, outside the seven-county metropolitan area;

(2) has 100 or fewer beds; and

(3) is not for profit.

Subd. 2. [GRANTS AUTHORIZED.] The commissioner shall establish a program of grants to assist eligible rural hospitals. The commissioner shall award grants to hospitals and communities for the purposes set forth in paragraphs (a) and (b).

(a) Grants may be used by hospitals and their communities to develop strategic plans for preserving access to health services. At a minimum, a strategic plan must consist of:

(1) a needs assessment to determine what health services are needed and desired by the community. The assessment must include interviews with or surveys of area health professionals, local community leaders, and public hearings;

(2) an assessment of the feasibility of providing needed health services that identifies priorities and timeliness for potential changes; and

(3) an implementation plan.

The strategic plan must be developed by a committee that includes representatives from the hospital, local public health agencies, other health providers, and consumers from the community.

(b) The grants may also be used by eligible rural hospitals that have developed strategic plans to implement transition projects to modify the type and extent of services provided, in order to reflect the needs of that plan. Grants may be used by hospitals under this paragraph to develop hospital-based physician practices that integrate hospital and existing medical practice facilities that agree to transfer their practices, equipment, staffing, and administration to the hospital. Not more than one-third of any grant shall be used to offset losses incurred by physicians agreeing to transfer their practices to hospitals.

Subd. 3. [CONSIDERATION OF GRANTS.] In determining which hospitals will receive grants under this section, the commissioner shall take into account:

(1) improving community access to hospital or health services;

(2) changes in service populations;

(3) demand for ambulatory and emergency services;

(4) the extent that the health needs of the community are not currently being met by other providers in the service area;

(5) the need to recruit and retain health professionals; and

(6) the involvement and extent of support of the community and local health care providers.

Subd. 4. [ALLOCATION OF GRANTS.] (a) Eligible hospitals must apply to the commissioner no later than September 1, 1990, for grants awarded in the 1991 state fiscal year; and no later than September 1, 1990, for grants awarded in the 1992 state fiscal year.

(b) The commissioner may award up to two grants for each fiscal year. The commissioner must make a final decision on the funding of each application within 60 days of the deadline for receiving applications.

(c) Each relevant community health board has 30 days in which to review and comment to the commissioner on grant applications from hospitals in their community health service area.

(d) In determining which hospitals will receive grants under this section, the commissioner shall consider the following factors:

(1) Description of the problem, description of the project and the likelihood of successful outcome of the project. The applicant must explain clearly the nature of the health services problems in their service area, how the grant funds will be used, what will be accomplished, and the results expected. The applicant should describe achievable objectives, a timetable, and roles and capabilities of responsible individuals and organizations.

(2) The extent of community support for the hospital and this proposed project. The applicant should demonstrate support for the hospital and for the proposed project from other local health service providers and from local community and government leaders. Evidence of such support may include past commitments of financial support from local individuals, organization or government entities; and commitment of financial support, in-kind services or cash, for this project.

(3) The comments, if any, resulting from a review of the application by the community health board in whose community health service area the hospital is located.

(e) In evaluating applications, the commissioner shall score each application on a 100 point scale, assigning the maximum of 70 points for an applicant's understanding of the problem, description of the project, and likelihood of successful outcome of the project; and a maximum of 30 points for the extent of community support for the hospital and this project. The commissioner may also take into account other relevant factors.

(f) A grant to a hospital, including hospitals that submit applications as consortia, may not exceed $50,000 a year, and may not exceed a term of two years. Prior to the receipt of any grant, the hospital must certify to the commissioner that at least one-half of

the amount, which may include in-kind services, is available for the same purposes from nonstate sources. A hospital receiving a grant under this section may use the grant for any expenses incurred in the development of strategic plans or the implementation of transition projects with respect to which the grant is made. Project grants may not be used to retire debt incurred with respect to any capital expenditure made prior to the date on which the project is initiated.

Subd. 5. [EVALUATION.] The commissioner shall evaluate the overall effectiveness of the grant program. The commissioner may collect, from the hospital, and communities receiving grants, the information necessary to evaluate the grant program. Information related to the financial condition of individual hospitals shall be classified as nonpublic data.

Sec. 8. Minnesota Statutes 1989 Supplement, section 144.562, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY FOR LICENSE CONDITION.] A hospital is not eligible to receive a license condition for swing beds unless (1) it either has a licensed bed capacity of less than 50 beds defined in the federal Medicare regulations, Code of Federal Regulations, title 42, section 482.66, or it has a licensed bed capacity of 50 beds or more and has swing beds that were approved for Medicare reimbursement before May 1, 1985, or it has a licensed bed capacity of less than 65 beds and, as of the effective date, the available nursing homes within 50 miles have had occupancy rates of 96 percent or higher in the past two years, or it has a licensed capacity of less than 63 beds and is a nonprofit facility; (2) it is located in a rural area as defined in the federal Medicare regulations, Code of Federal Regulations, title 42, section 482.66; and (3) it agrees to utilize no more than four hospital beds as swing beds at any one time, except that the commissioner may approve the utilization of up to three additional beds at the request of a hospital if no Medicare certified skilled nursing facility beds are available within 25 miles of that hospital.

Sec. 9. Minnesota Statutes 1988, section 144.581, subdivision 1, is amended to read:

Subdivision 1. [NONPROFIT CORPORATION POWERS.] A municipality, political subdivision, state agency, or other governmental entity that owns or operates a hospital authorized, organized, or operated under chapters 158, 250, 376, and 397, or under sections 246A.01 to 246A.27, 412.221, 447.05 to 447.13, 447.31, or 471.59, or under any special law authorizing or establishing a hospital or hospital district shall, relative to the delivery of health care services, have, in addition to any authority vested by law, the authority and legal capacity of a nonprofit corporation under chapter 317, including authority to

(a) enter shared service and other cooperative ventures,

(b) join or sponsor membership in organizations intended to benefit the hospital or hospitals in general,

(c) enter partnerships,

(d) incorporate other corporations,

(e) have members of its governing authority or its officers or administrators serve as directors, officers, or employees of the ventures, associations, or corporations,

(f) own shares of stock in business corporations, ~~and~~

(g) offer, directly or indirectly, products and services of the hospital, organization, association, partnership, or corporation to the general public, and

(h) provide funds for payment of educational expenses of up to $20,000 per individual, if the hospital or hospital district has at least $1,000,000 in reserve and depreciation funds at the time of payment, and these funds were obtained solely from the operating revenues of the hospital or hospital district.

Sec. 10. Minnesota Statutes 1989 Supplement, section 144.802, subdivision 3, is amended to read:

Subd. 3. [APPLICATIONS; NOTICE OF APPLICATION; RECOMMENDATIONS.] (a) Each prospective licensee and each present licensee wishing to offer a new type or types of ambulance service, to establish a new base of operation, or to expand a primary service area, shall make written application for a license to the commissioner on a form provided by the commissioner.

(b) For applications for the provision of ambulance services in a service area located within a county, the commissioner shall promptly send notice of the completed application to the county board and to each community health ~~service~~ board, governing body of a regional emergency medical services system designated under section 144.8093, ambulance service, and municipality in the area in which ambulance service would be provided by the applicant. The commissioner shall publish the notice, at the applicant's expense, in the State Register and in a newspaper in the municipality in which the base of operation will be located, or if no newspaper is published in the municipality or if the service would be provided in more than one municipality, in a newspaper published at the county seat of the county in which the service would be provided.

(c) For applications for the provision of ambulance services in a

service area larger than a county, the commissioner shall promptly send notice of the completed application to the municipality in which the service's base of operation will be located and to each community health board, county board, governing body of a regional emergency medical services system designated under section 144.8093, and ambulance service located within the counties in which any part of the service area described by the applicant is located, and any contiguous counties. The commissioner shall publish this notice, at the applicant's expense, in the State Register.

(d) The commissioner shall request that the chief administrative law judge appoint an administrative law judge to hold a public hearing in the municipality in which the service's base of operation will be located. The public hearing shall be conducted as contested case hearing under chapter 14.

(e) Each municipality, county, community health ~~service~~ board, governing body of a regional emergency medical services system, ambulance service, and other person wishing to make recommendations concerning the disposition of the application shall make written recommendations to the administrative law judge within 30 days of the publication of notice of the application in the State Register.

(f) The administrative law judge shall:

(1) hold a public hearing in the municipality in which the service's base of operations is or will be located;

(2) provide notice of the public hearing in the newspaper or newspapers in which notice was published under paragraph (b) for two successive weeks at least ten days before the date of the hearing;

(3) allow any interested person the opportunity to be heard, to be represented by counsel, and to present oral and written evidence at the public hearing;

(4) provide a transcript of the hearing at the expense of any individual requesting it.

(g) The administrative law judge shall review and comment upon the application and shall make written recommendations as to its disposition to the commissioner within 90 days of receiving notice of the application. In making the recommendations, the administrative law judge shall consider and make written comments as to whether the proposed service, change in base of operations, or expansion in primary service area is needed, based on consideration of the following factors:

(1) the relationship of the proposed service, change in base of

operations or expansion in primary service area to the current community health plan as approved by the commissioner under section ~~145.918~~ 145A.12, subdivision 4;

(2) the recommendations or comments of the governing bodies of the counties and municipalities in which the service would be provided;

(3) the deleterious effects on the public health from duplication, if any, of ambulance services that would result from granting the license;

(4) the estimated effect of the proposed service, change in base of operation or expansion in primary service area on the public health;

(5) whether any benefit accruing to the public health would outweigh the costs associated with the proposed service, change in base of operations, or expansion in primary service area.

The administrative law judge shall recommend that the commissioner either grant or deny a license or recommend that a modified license be granted. The reasons for the recommendation shall be set forth in detail. The administrative law judge shall make the recommendations and reasons available to any individual requesting them.

Sec. 11. Minnesota Statutes 1989 Supplement, section 144.804, subdivision 1, is amended to read:

Subdivision 1. [DRIVERS AND ATTENDANTS.] No publicly or privately owned basic ambulance service shall be operated in the state unless its drivers and attendants possess a current emergency ~~medical~~ care course certificate authorized by rules adopted by the commissioner of health according to chapter 14. Until August 1, 1994, a licensee may substitute a person currently certified by the American Red Cross in advanced first aid and emergency care or a person who has successfully completed the United States Department of Transportation first responder curriculum, and who has also been trained to use ~~all of the equipment carried in the ambulance~~ basic life support equipment as required by rules adopted by the commissioner under section 144.804, subdivision 2, for one of the persons on a basic ambulance, provided that person will function as the driver while transporting a patient. The commissioner may grant a variance to allow a licensed ambulance service to use attendants certified by the American Red Cross in advanced first aid and emergency care in order to ensure 24-hour emergency ambulance coverage. ~~The variance must expire no later than August 1, 1990.~~ The commissioner shall study the roles and responsibilities of first responder units and report the findings by January 1, 1991. This study shall address at a minimum: (1) education and training;

(2) appropriate equipment and its use; (3) medical direction and supervision; and (4) supervisory and regulatory requirements.

Sec. 12. Minnesota Statutes 1989 Supplement, section 144.804, subdivision 7, is amended to read:

Subd. 7. [DRIVERS OF ~~AMBULANCE SERVICE VEHICLES~~ AMBULANCES.] An ambulance service vehicle shall be staffed by a driver possessing a current Minnesota driver's license or equivalent and whose driving privileges are not under suspension or revocation by any state. If red lights and siren are used, the driver must also have completed training approved by the commissioner in emergency driving techniques. An ambulance transporting patients must be staffed by at least two persons who are trained according to ~~this section~~ subdivision 1, or section 144.809, one of whom may be the driver. A third person serving as driver shall be trained according to this subdivision.

Sec. 13. Minnesota Statutes 1989 Supplement, section 144.809, is amended to read:

144.809 [RENEWAL OF BASIC EMERGENCY ~~MEDICAL TECHNICIAN'S~~ CARE COURSE CERTIFICATE; FEE.]

Subdivision 1. [STANDARDS FOR RECERTIFICATION.] The commissioner shall adopt rules establishing minimum standards for expiration and recertification of basic emergency care course certificates. These standards shall require:

(1) four years after initial certification, and every four years thereafter, formal classroom training and successful completion of a written test and practical examination, both of which must be approved by the commissioner; and

(2) two years after initial certification, and every four years thereafter, in-service continuing education, including knowledge and skill proficiency testing, all of which must be conducted under the supervision of a medical director or medical advisor and approved by the commissioner.

Course requirements under clause (1) shall not exceed 24 hours. Course requirements under clause (2) shall not exceed 36 hours, of which at least 12 hours may consist of course material developed by the medical director or medical advisor.

Individuals may choose to complete, two years after initial certification, and every two years thereafter, formal classroom training and successful completion of a written test and practical examination, both of which are approved by the commissioner, in lieu of completing requirements in clauses (1) and (2).

Subd. 2. [UPGRADING TO BASIC EMERGENCY CARE COURSE CERTIFICATE.] By August 1, 1994, the commissioner shall adopt rules authorizing the equivalence of the following as credit toward successful completion of the commissioner's basic emergency care course:

(1) successful completion of the United States Department of Transportation first responder curriculum;

(2) a minimum of two years of documented continuous service as an ambulance driver, as authorized in section 144.804, subdivision 7;

(3) documented clinical experience obtained through work or volunteer activity as a first responder; and

(4) documented continuing education in emergency care.

Subd. 3. [LIMITATION ON FEES.] No fee set by the commissioner for biennial renewal of ~~an~~ a basic emergency ~~medical technician's~~ care course certificate by a volunteer member of an ambulance service, fire department, or police department shall exceed $2.

Sec. 14. Minnesota Statutes 1989 Supplement, section 144.8091, is amended to read:

144.8091 [REIMBURSEMENT TO NONPROFIT AMBULANCE SERVICES.]

Subdivision 1. [REPAYMENT FOR VOLUNTEER TRAINING.] Any political subdivision, or nonprofit hospital or nonprofit corporation operating a licensed ambulance service shall be reimbursed by the commissioner for the necessary expense of the initial training of a volunteer ambulance attendant upon successful completion by the attendant of a basic emergency ~~medical~~ care course, or a continuing education course for basic emergency ~~medical~~ care, or both, which has been approved by the commissioner, pursuant to section 144.804. Reimbursement may include tuition, transportation, food, lodging, hourly payment for the time spent in the training course, and other necessary expenditures, except that in no instance shall a volunteer ambulance attendant be reimbursed more than ~~$210~~ $350 for successful completion of a basic course, and ~~$70~~ $140 for successful completion of a continuing education course.

Subd. 2. [VOLUNTEER ATTENDANT DEFINED.] For purposes of this section, "volunteer ambulance attendant" means a person who provides emergency medical services for a Minnesota licensed ambulance service without the expectation of remuneration and who does not depend in any way upon the provision of these services for the person's livelihood. An individual may be considered a

volunteer ambulance attendant even though that individual receives an hourly stipend for each hour of actual service provided, except for hours on standby alert, even though this hourly stipend is regarded as taxable income for purposes of state or federal law, provided that this hourly stipend does not exceed ~~$500~~ $3,000 within one year of the final certification examination. Reimbursement will be paid under provisions of this section when documentation is provided the department of health that the individual has served for one year from the date of the final certification exam as an active member of a Minnesota licensed ambulance service.

Sec. 15. [144.8095] [FUNDING FOR THE EMERGENCY MEDICAL SERVICES REGIONS.]

The commissioner of health shall distribute funds appropriated from the general fund equally among the emergency medical service regions. Each regional board may use this money to reimburse eligible emergency medical services personnel for continuing education costs related to emergency care that are personally incurred and are not reimbursed from other sources. Eligible emergency medical services personnel include, but are not limited to, dispatchers, emergency room physicians, emergency room nurses, first responders, emergency medical technicians, and paramedics. Any funds remaining after all eligible emergency medical services personnel are reimbursed may be used to fund the task force for medical directors and advisers required under section 144.8096. Any remaining funds may be used to purchase equipment for emergency medical services providers, or used as determined by each regional board.

Sec. 16. [144.8096] [MEDICAL DIRECTORS AND ADVISERS; TASK FORCES.]

(a) Each regional emergency medical services system designated under section 144.8093, subdivision 4, may establish a task force for medical advisers and medical directors of ambulance services in the region.

(b) Each task force established under paragraph (a) shall:

(1) evaluate problems facing medical directors and advisers;

(2) provide educational forums and programs for medical directors and medical advisers on regional topics relevant to the duties of medical directors and advisers;

(3) establish priorities for the region to address problems related to medical directors and advisers;

(4) advise and counsel medical advisers and directors in the region on problems they may be facing;

(5) provide medical directors and advisers in the region with technical assistance education, including continuing education opportunities;

(6) develop methods and incentives to recruit and retain physicians to serve as medical directors and advisers; and

(7) assist in recruiting a replacement medical director or medical adviser for an ambulance service seeking to hire a new medical director or medical adviser.

(c) Task force activities shall be funded as provided in section 144.8095.

Sec. 17. [144.8097] [EMERGENCY MEDICAL SERVICES ADVISORY COUNCIL.]

Subdivision 1. [ADVISORY COUNCIL ESTABLISHED.] There is established an emergency medical services advisory council to advise, to consult with, and to make recommendations to the commissioner of health regarding the formulation of policy and plans for the organization, delivery, and evaluation of emergency medical services within the state. The commissioner shall establish procedures for the advisory council's proper functioning. The procedures must include, but not be limited to, methods for selecting alternate or temporary members and methods of communicating recommendations and advice to the commissioner for consideration.

Subd. 2. [MEMBERSHIP; TERMS; COMPENSATION.] (a) The council shall consist of 17 members. The members shall be appointed by the commissioner of health and shall consist of the following:

(1) a representative of the governing bodies of the eight regional emergency medical systems designated under section 144.8093;

(2) an emergency medical services physician;

(3) an emergency department nurse;

(4) an emergency medical technician (ambulance, intermediate, or paramedic);

(5) a representative of an emergency medical care training institution;

(6) a representative of a licensed ambulance service;

(7) a hospital administrator;

(8) a first responder;

(9) a member of a community health services agency; and

(10) a representative of the public at large.

(b) As nearly as possible, one-third of the initial members' terms must expire each year during the first three years of the council. Successors of the initial members shall be appointed for three-year terms. A person chosen to fill a vacancy shall be appointed only for the unexpired term of the board member whom the newly appointed member succeeds.

(c) Members of the council shall be compensated for expenses.

(d) The removal of all members and the expiration of the council shall be as provided in section 15.059.

Sec. 18. Minnesota Statutes 1988, section 148B.23, is amended by adding a subdivision to read:

Subd. 1a. [EXTENSION OF TRANSITION PERIOD ALLOWED.] The board may issue a graduate social worker license without examination, after the transition period that ends June 30, 1989, to an applicant:

(1) who met the criteria in subdivision 1, clause (2), before the transition period ended; and

(2) who:

(a) was unable to submit an application for licensure before the transition period ended because the person was in another country performing social work training to complete the requirements for a master's degree in social work; or

(b) is also certified as a chemical dependency practitioner.

Sec. 19. Minnesota Statutes 1988, section 148B.48, subdivision 1, is amended to read:

Subdivision 1. [COMMISSIONER OF HEALTH.] ~~The commissioner of health shall review the report of the office under sections 214.001, 214.13, and 214.141.~~ The commissioner shall make recommendations to the legislature by January 15, 1991, on the need for registration or licensure of unlicensed mental health service providers and the need to retain the board of unlicensed mental health service providers.

Sec. 20. Minnesota Statutes 1988, section 151.06, subdivision 1, is amended to read:

Subdivision 1. (a) [POWERS AND DUTIES.] The board of pharmacy shall have the power and it shall be its duty:

(1) to regulate the practice of pharmacy;

(2) to regulate the manufacture, wholesale, and retail sale of drugs within this state;

(3) to regulate the identity, labeling, purity, and quality of all drugs and medicines dispensed in this state, using the United States Pharmacopeia and the National Formulary, or any revisions thereof, or standards adopted under the federal act as the standard;

(4) to enter and inspect by its authorized representative any and all places where drugs, medicines, medical gases, or veterinary drugs or devices are sold, vended, given away, compounded, dispensed, manufactured, wholesaled, or held; it may secure samples or specimens of any drugs, medicines, medical gases, or veterinary drugs or devices after paying or offering to pay for such sample; it shall be entitled to inspect and make copies of any and all records of shipment, purchase, manufacture, quality control, and sale of these items provided, however, that such inspection shall not extend to financial data, sales data, or pricing data;

(5) to examine and license as pharmacists all applicants whom it shall deem qualified to be such;

(6) to license wholesale drug distributors;

(7) to deny, suspend, revoke, or refuse to renew any registration or license required under this chapter, to any applicant or registrant or licensee upon any of the following grounds:

(i) fraud or deception in connection with the securing of such license or registration;

(ii) in the case of a pharmacist, conviction in any court of a felony;

(iii) in the case of a pharmacist, conviction in any court of an offense involving moral turpitude;

(iv) habitual indulgence in the use of narcotics, stimulants, or depressant drugs; or habitual indulgence in intoxicating liquors in a manner which could cause conduct endangering public health;

(v) unprofessional conduct or conduct endangering public health;

(vi) gross immorality;

(vii) employing, assisting, or enabling in any manner an unlicensed person to practice pharmacy;

(viii) conviction of theft of drugs, or the unauthorized use, possession, or sale thereof;

(ix) violation of any of the provisions of this chapter or any of the rules of the state board of pharmacy;

(x) in the case of a pharmacy license, operation of such pharmacy without a pharmacist present and on duty;

(xi) in the case of a pharmacist, physical or mental disability which could cause incompetency in the practice of pharmacy; or

(xii) in the case of a pharmacist, the suspension or revocation of a license to practice pharmacy in another state;

~~(7)~~ (8) to employ necessary assistants and make rules for the conduct of its business; and

~~(8)~~ (9) to perform such other duties and exercise such other powers as the provisions of the act may require.

(b) [TEMPORARY SUSPENSION.] In addition to any other remedy provided by law, the board may, without a hearing, temporarily suspend a license for not more than 60 days if the board finds that a pharmacist has violated a statute or rule that the board is empowered to enforce and continued practice by the pharmacist would create an imminent risk of harm to others. The suspension shall take effect upon written notice to the pharmacist, specifying the statute or rule violated. At the time it issues the suspension notice, the board shall schedule a disciplinary hearing to be held under the administrative procedure act. The pharmacist shall be provided with at least 20 days notice of any hearing held under this subdivision.

(c) [RULES.] For the purposes aforesaid it shall be the duty of the board to make and publish uniform rules not inconsistent herewith for carrying out and enforcing the provisions of this chapter.

Sec. 21. Minnesota Statutes 1988, section 151.25, is amended to read:

151.25 [REGISTRATION OF MANUFACTURERS OR WHOLESALERS; FEE; PROHIBITIONS.]

The board shall require and provide for the annual registration of every person engaged in manufacturing ~~or selling at wholesale~~ drugs, medicines, chemicals, or poisons for medicinal purposes, now or hereafter doing business with accounts in this state. Upon a payment of a fee as set by the board, the board shall issue a registration certificate in such form as it may prescribe to such manufacturer ~~or wholesaler~~. Such registration certificate shall be displayed in a conspicuous place in such manufacturer's or wholesaler's place of business for which it is issued and expire on the date set by the board. It shall be unlawful for any person to manufacture ~~or sell at wholesale~~ drugs, medicines, chemicals, or poisons for medicinal purposes unless such a certificate has been issued to the person by the board. It shall be unlawful for any person engaged in the manufacture ~~or selling at wholesale~~ of drugs, medicines, chemicals, or poisons for medicinal purposes, or the person's agent, to sell legend drugs to other than a pharmacy, except as provided in this chapter.

Sec. 22. [151.42] [CITATION.]

Sections 151.42 to 151.51 may be cited as the "wholesale drug distribution licensing act of 1990."

Sec. 23. [151.43] [SCOPE.]

Sections 151.42 to 151.51 apply to any person, partnership, corporation, or business firm engaging in the wholesale distribution of prescription drugs within the state.

Sec. 24. [151.44] [DEFINITIONS.]

As used in sections 151.42 to 151.51, the following terms have the meanings given in paragraphs (a) to (f):

(a) "Wholesale drug distribution" means distribution of prescription drugs to persons other than a consumer or patient, but does not include:

(1) a sale between a division, subsidiary, parent, affiliated, or related company under the common ownership and control of a corporate entity;

(2) the purchase or other acquisition, by a hospital or other health care entity that is a member of a group purchasing organization, of a drug for its own use from the organization or from other hospitals or health care entities that are members of such organizations;

(3) the sale, purchase, or trade of a drug or an offer to sell, purchase, or trade a drug by a charitable organization described in section 501(c)(3) of the Internal Revenue Code of 1986, as amended

through December 31, 1988, to a nonprofit affiliate of the organization to the extent otherwise permitted by law;

(4) the sale, purchase, or trade of a drug or offer to sell, purchase, or trade a drug among hospitals or other health care entities that are under common control;

(5) the sale, purchase, or trade of a drug or offer to sell, purchase, or trade a drug for emergency medical reasons;

(6) the sale, purchase, or trade of a drug, an offer to sell, purchase, or trade a drug, or the dispensing of a drug pursuant to a prescription;

(7) the transfer of prescription drugs by a retail pharmacy to another retail pharmacy to alleviate a temporary shortage;

(8) the distribution of prescription drug samples by manufacturers representatives; or

(9) the sale, purchase, or trade of blood and blood components.

(b) "Wholesale drug distributor" means anyone engaged in wholesale drug distribution, including but not limited to, manufacturers; repackers; own-label distributors; jobbers; brokers; warehouses, including manufacturers' and distributors' warehouses, chain drug warehouses, and wholesale drug warehouses; independent wholesale drug traders; and pharmacies that conduct wholesale drug distribution. A wholesale drug distributor does not include a common carrier or individual hired primarily to transport prescription drugs.

(c) "Manufacturer" means anyone who is engaged in the manufacturing, preparing, propagating, compounding, processing, packaging, repackaging, or labeling of a prescription drug.

(d) "Prescription drug" means a drug required by federal or state law or regulation to be dispensed only by a prescription, including finished dosage forms and active ingredients subject to United States Code, title 21, sections 811 and 812.

(e) "Blood" means whole blood collected from a single donor and processed either for transfusion or further manufacturing.

(f) "Blood components" means that part of blood separated by physical or mechanical means.

Sec. 25. [151.45] [WHOLESALE DRUG DISTRIBUTOR ADVISORY TASK FORCE.]

The board shall appoint a wholesale drug distributor advisory task force composed of five members, to be selected and to perform duties and responsibilities as follows:

(a) One member shall be a pharmacist who is neither a member of the board nor a board employee.

(b) Two members shall be representatives of wholesale drug distributors as defined in section 151.44, paragraph (b).

(c) One member shall be a representative of drug manufacturers.

(d) One member shall be a public member as defined by section 214.02.

(e) The advisory task force shall review and make recommendations to the board on the merit of all rules dealing with wholesale drug distributors and drug manufacturers that are proposed by the board; and no rule affecting wholesale drug distributors proposed by the board shall be adopted without first being submitted to the task force for review and comment.

(f) In making advisory task force appointments, the board shall consider recommendations received from each of the wholesale drug distributor, pharmacist, and drug manufacturer classes cited in paragraphs (a) to (c), and shall adopt rules that provide for solicitation of the recommendations.

Sec. 26. [151.46] [PROHIBITED DRUG PURCHASES OR RECEIPT.]

It is unlawful for any person to knowingly purchase or receive a prescription drug from a source other than a person or entity licensed under the laws of the state, except where otherwise provided. Licensed wholesale drug distributors other than pharmacies shall not dispense or distribute prescription drugs directly to patients. A person violating the provisions of this section is guilty of a misdemeanor.

Sec. 27. [151.47] [WHOLESALE DRUG DISTRIBUTOR LICENSING REQUIREMENTS.]

Subdivision 1. [REQUIREMENTS.] All wholesale drug distributors are subject to the requirements in paragraphs (a) to (e).

(a) No person or distribution outlet shall act as a wholesale drug distributor without first obtaining a license from the board and paying the required fee.

(b) No license shall be issued or renewed for a wholesale drug distributor to operate unless the applicant agrees to operate in a manner prescribed by federal and state law and according to the rules adopted by the board.

(c) The board may require a separate license for each facility directly or indirectly owned or operated by the same business entity within the state, or for a parent entity with divisions, subsidiaries, or affiliate companies within the state, when operations are conducted at more than one location and joint ownership and control exists among all the entities.

(d) As a condition for receiving and retaining a wholesale drug distributor license issued under sections 151.42 to 151.51, an applicant shall satisfy the board that it has and will continuously maintain:

(1) adequate storage conditions and facilities;

(2) minimum liability and other insurance as may be required under any applicable federal or state law;

(3) a viable security system that includes an after hours central alarm, or comparable entry detection capability; restricted access to the premises; comprehensive employment applicant screening; and safeguards against all forms of employee theft;

(4) a system of records describing all wholesale drug distributor activities set forth in section 151.44 for at least the most recent two-year period and which shall be reasonably accessible as defined by board regulations in any inspection authorized by the board;

(5) principals and persons, including officers, directors, primary shareholders, and key management executives who must at all times demonstrate and maintain their capability of conducting business in conformity with sound financial practices as well as state and federal law;

(6) complete, updated information, to be provided to the board as a condition for obtaining and retaining a license, about each wholesale drug distributor to be licensed, including all pertinent corporate licensee information, if applicable, or other ownership, principal, key personnel, and facilities information found to be necessary by the board;

(7) written policies and procedures that assure reasonable wholesale drug distributor preparation for, protection against, and handling of any facility security or operation problems, including, but not limited to, those caused by natural disaster or government emergency, inventory inaccuracies or product shipping and receiv-

ing, outdated product or other unauthorized product control, appropriate disposition of returned goods, and product recalls;

(8) sufficient inspection procedures for all incoming and outgoing product shipments; and

(9) operations in compliance with all federal requirements applicable to wholesale drug distribution.

(e) An agent or employee of any licensed wholesale drug distributor need not seek licensure under this section.

Subd. 2. [REQUIREMENTS MUST CONFORM WITH FEDERAL LAW.] All requirements set forth in this section shall conform to wholesale drug distributor licensing guidelines formally adopted by the United States Food and Drug Administration; and in case of conflict between a wholesale drug distributor licensing requirement imposed by the board and a Food and Drug Administration wholesale drug distributor guideline, the latter shall control.

Sec. 28. [151.48] [OUT-OF-STATE WHOLESALE DRUG DISTRIBUTOR LICENSING REQUIREMENTS.]

(a) It is unlawful for an out-of-state wholesale drug distributor to conduct business in the state without first obtaining a license from the board and paying the required fee.

(b) Application for an out-of-state wholesale drug distributor license under this section shall be made on a form furnished by the board.

(c) The issuance of a license under sections 151.42 to 151.51 shall not change or affect tax liability imposed by the department of revenue on any out-of-state wholesale drug distributor.

(d) No person acting as principal or agent for any out-of-state wholesale drug distributor may sell or distribute drugs in the state unless the distributor has obtained a license.

(e) The board may adopt regulations that permit out-of-state wholesale drug distributors to obtain a license on the basis of reciprocity to the extent that an out-of-state wholesale drug distributor:

(1) possesses a valid license granted by another state under legal standards comparable to those that must be met by a wholesale drug distributor of this state as prerequisites for obtaining a license under the laws of this state; and

(2) can show that the other state would extend reciprocal treatment under its own laws to a wholesale drug distributor of this state.

Sec. 29. [151.49] [LICENSE RENEWAL APPLICATION PROCEDURES.]

Application blanks for renewal of a license required by sections 151.42 to 151.51 shall be mailed to each licensee on or before the first day of the month prior to the month in which the license expires and, if application for renewal of the license with the required fee is not made before the expiration date, the existing license or renewal shall lapse and become null and void upon the date of expiration.

Sec. 30. [151.50] [RULES.]

The board shall adopt rules to carry out the purposes and enforce the provisions of sections 151.42 to 151.51. All rules adopted under this section shall conform to wholesale drug distributor licensing guidelines formally adopted by the United States Food and Drug Administration; and in case of conflict between a rule adopted by the board and a Food and Drug Administration wholesale drug distributor guideline, the latter shall control.

Sec. 31. [151.51] [BOARD ACCESS TO WHOLESALE DRUG DISTRIBUTOR RECORDS.]

Wholesale drug distributors may keep records at a central location apart from the principal office of the wholesale drug distributor or the location at which the drugs were stored and from which they were shipped, provided that the records shall be made available for inspection within two working days of a request by the board. The records may be kept in any form permissible under federal law applicable to prescription drugs record keeping.

Sec. 32. Minnesota Statutes 1988, section 171.07, subdivision 1a, is amended to read:

Subd. 1a. [PHOTOGRAPHIC NEGATIVES; FILING; DATA CLASSIFICATION.] The department shall file, or contract to file, all photographic negatives obtained in the process of issuing driver licenses or Minnesota identification cards. The negatives shall be private data pursuant to section 13.02, subdivision 12. Notwithstanding section 13.04, subdivision 3, the department shall not be required to provide copies of photographic negatives to data subjects. The use of the files is restricted:

(1) to the issuance and control of driver licenses ~~and~~;

(2) for law enforcement purposes in the investigation and prose-

cution of felonies and violations of section 169.09; 169.121; 169.123; 169.129; 171.22; 171.24; 171.30; 609.41; 609.487, subdivision 3; 609.631, subdivision 4, clause (3); or 609.821, subdivision 3, clauses (1), item (iv), and (3); and

(3) for child support enforcement purposes under section 256.978.

Sec. 33. Minnesota Statutes 1988, section 245A.14, subdivision 1, is amended to read:

Subdivision 1. [PERMITTED SINGLE-FAMILY RESIDENTIAL USE.] A licensed nonresidential program with a licensed capacity of 12 or fewer persons and a group family day care facility licensed under Minnesota Rules, parts 9502.0315 to 9502.0445, to serve 14 or fewer children shall be considered a permitted single-family residential use of property for the purposes of zoning and other land use regulations.

Sec. 34. Minnesota Statutes 1989 Supplement, section 252.025, subdivision 4, is amended to read:

Subd. 4. [STATE-PROVIDED SERVICES.] (a) It is the policy of the state to capitalize and recapitalize the regional treatment centers as necessary to prevent depreciation and obsolescence of physical facilities and to ensure they retain the physical capability to provide residential programs. Consistent with that policy and with section 252.50, and within the limits of appropriations made available for this purpose, the commissioner may establish, by June 30, 1991, the following state-operated, community-based programs for the least vulnerable regional treatment center residents: at Brainerd regional services center, two residential programs and two day programs; at Cambridge regional treatment center, four residential programs and two day programs; at Faribault regional treatment center, ten residential programs and six day programs; at Fergus Falls regional treatment center, two residential programs and one day program; at Moose Lake regional treatment center, four residential programs and two day programs; and at Willmar regional treatment center, two residential programs and one day program. With appropriations made available for the purpose of this subdivision, the commissioner may also establish in the catchment area of Willmar regional treatment center: by June 30, 1992, technical training, technical assistance, and crisis services provided for in sections 245.073, 252.038, subdivision 2, and 252.50, subdivision 7; by June 30, 1994, a total of eight state-operated residential program sites, two per year through June 30, 1994; and, as needed, two state-operated day programs.

(b) By January 15, 1991, the commissioner shall report to the legislature a plan to provide continued regional treatment center capacity and state-operated, community-based residential and day programs for persons with developmental disabilities at Brainerd,

Cambridge, Faribault, Fergus Falls, Moose Lake, St. Peter, and Willmar, as follows:

(1) by July 1, 1998, continued regional treatment center capacity to serve 350 persons with developmental disabilities as follows: at Brainerd, 80 persons; at Cambridge, 12 persons; at Faribault, 110 persons; at Fergus Falls, 60 persons; at Moose Lake, 12 persons; at St. Peter, 35 persons; ~~at Willmar, 25 persons;~~ and up to 16 crisis beds in the Twin Cities metropolitan area; and

(2) by July 1, 1999, continued regional treatment center capacity to serve 254 persons with developmental disabilities as follows: at Brainerd, 57 persons; at Cambridge, 12 persons; at Faribault, 80 persons; at Fergus Falls, 35 persons; at Moose Lake, 12 persons; at St. Peter, 30 persons; at Willmar, 12 persons, and up to 16 crisis beds in the Twin Cities metropolitan area. In addition, the plan shall provide for the capacity to provide residential services to 570 persons with developmental disabilities in 95 state-operated, community-based residential programs.

Sec. 35. Minnesota Statutes 1988, section 252.27, as amended by Laws 1989, chapter 282, article 2, section 92, is amended to read:

252.27 [~~COST OF BOARDING CARE OUTSIDE OF HOME OR INSTITUTION~~ PARENTAL CONTRIBUTION FOR THE COST OF CHILDREN'S SERVICES.]

Subdivision 1. [COUNTY RESPONSIBILITY.] Whenever any child who has mental retardation or a related condition, or a physical or emotional handicap is in 24-hour care outside the home including respite care, in a facility licensed by the commissioner of human services, the cost of ~~care~~ services shall be paid by the county of financial responsibility determined pursuant to chapter 256G. If the child's parents or guardians do not reside in this state, the cost shall be paid by the responsible governmental agency in the state from which the child came, by the parents or guardians of the child if they are financially able, or, if no other payment source is available, by the commissioner of human services.

Subd. 1a. [DEFINITIONS.] A person has a "related condition" if that person has a severe, chronic disability that is (a) attributable to cerebral palsy, epilepsy, autism, Prader-Willi syndrome, or any other condition, other than mental illness, found to be closely related to mental retardation because the condition results in impairment of general intellectual functioning or adaptive behavior similar to that of persons with mental retardation or requires treatment or services similar to those required for persons with mental retardation; (b) is likely to continue indefinitely; and (c) results in substantial functional limitations in three or more of the following areas of major life activity: self-care, understanding and use of language, learning, mobility, self-direction, or capacity for independent living. For the

purposes of this section, a child has an "emotional handicap" if the child has a psychiatric or other emotional disorder which substantially impairs the child's mental health and requires 24-hour treatment or supervision.

Subd. 2. [PARENTAL RESPONSIBILITY.] Responsibility of the parents for the cost of ~~care~~ services shall be based upon ability to pay. The state agency shall adopt rules to determine responsibility of the parents for the cost of ~~care~~ services when:

(a) Insurance or other health care benefits pay some but not all of the cost of ~~care~~ services; and

(b) No insurance or other health care benefits are available.

Subd. 2a. [CONTRIBUTION AMOUNT.] (a) The natural or adoptive parents of a minor child, including a child determined eligible for medical assistance without consideration of parental income, must contribute monthly to the cost of services, unless the child is married or has been married, parental rights have been terminated, or the child's adoption is subsidized according to section 259.40 or through title IV-E of the Social Security Act.

(b) The parental contribution equals 15 percent of the natural or adoptive parents' income that exceeds 200 percent of the federal poverty guidelines for the applicable household size, reduced by the following amounts:

(1) $200 if the child lives with the parent;

(2) the personal needs allowance under section 256B.35, if paid by the parent, and if the child resides in an institution specified in that section; and

(3) any amount required to be paid directly to the child pursuant to a court order, and only if actually paid.

(c) The household size to be used in determining the amount of contribution under paragraph (b) includes natural and adoptive parents and their dependents under age 21, including the child receiving services.

(d) For purposes of paragraph (b), "income" means the natural or adoptive parents' adjusted gross income determined according to the previous year's federal tax form.

(e) The contribution shall be explained to the parents when eligibility for services is determined. The contribution amount shall be reviewed upon eligibility redetermination or upon request of the responsible relative. The contribution shall be made on a monthly

basis beginning with the first month in which the child receives services. Annually upon redetermination or at termination of eligibility, if the contribution exceeded the cost of services provided, the local agency or the state shall reimburse that excess amount to the parents, either by direct reimbursement if the parent is no longer required to pay a contribution, or by a reduction in or waiver of parental fees until the excess amount is exhausted.

(f) The monthly contribution amount must be reviewed at least every 12 months; when there is a change in household size; and when there is a loss of or gain in income from one month to another in excess of ten percent.

(g) Divorced parents of a minor child shall each pay the contribution required under paragraph (a), except that a court-ordered child support payment actually paid on behalf of the child receiving services shall be deducted from the contribution of the parent making the payment.

(h) The contribution under paragraph (b) shall be increased by an additional five percent if the local agency determines that insurance coverage is available but not obtained for the child. For purposes of this section, "available" means the insurance is a benefit of employment for a family member at an annual cost of no more than five percent of the family's annual income. For purposes of this section, insurance means health and accident insurance coverage, enrollment in a nonprofit health service plan, health maintenance organization, self-insured plan, or preferred provider organization.

Parents who have more than one child ~~in out-of-home care~~ receiving services shall not be required to pay more than the amount for ~~one~~ the child ~~in out-of-home care. In no event shall the parents be required to pay more than five percent of their income as defined in section 290A.03, subdivision 3~~ with the highest expenditures. There shall be no resource contribution from the parents. The parent shall not be required to pay a contribution in excess of the cost of the services provided to the child. Notice of an increase in fee payment must be given at least 30 days before the increased fee is due.

Subd. 2b. [CHILD'S RESPONSIBILITY.] Responsibility of the child for the cost of care shall be up to the maximum amount of the total income and resources attributed to the child except for the clothing and personal needs allowance as provided in section 256B.35, subdivision 1. Reimbursement by the parents and child shall be made to the county making any payments for ~~care and treatment~~ services. The county board may require payment of the full cost of caring for children whose parents or guardians do not reside in this state.

To the extent that a child described in subdivision 1 is eligible for benefits under chapter 62A, 62C, 62D, 62E, or 64B, the county is not

liable for the cost of ~~care. A parent or legal guardian who discontinues payment of health insurance premiums, subscriber fees or enrollment fees for a child who is otherwise eligible for those benefits is ineligible for payment of the cost of care of that child under this section.~~

~~The commissioner's determination shall be conclusive in any action to enforce payment of the cost of care. Any appeals from the commissioner's determination shall be made pursuant to section 256.045, subdivisions 2 and 3~~ services.

Subd. 2c. [APPEALS.] A parent may appeal the determination of an obligation to make a contribution under this section, according to section 256.045.

Subd. 3. [CIVIL ACTIONS.] If the parent fails to make appropriate reimbursement as required in subdivision 2, the county attorney may initiate a civil action to collect any unpaid reimbursement.

Subd. 4. [ORDER OF PAYMENT.] If the parental contribution is for reimbursement for the cost of services to both the local agency and the medical assistance program, the local agency shall be reimbursed for its expenses first and the remainder shall be dedicated to the medical assistance program.

Sec. 36. Minnesota Statutes 1989 Supplement, section 252.46, subdivision 1, is amended to read:

Subdivision 1. [RATES ~~FOR CALENDAR YEARS 1989 AND 1990~~.] Payment rates to vendors, except regional centers, for county-funded day training and habilitation services and transportation provided to persons receiving day training and habilitation services established by a county board ~~for calendar years 1989 and 1990~~ are governed by subdivisions 2 to ~~10~~ 11.

"Payment rate" as used in subdivisions 2 to ~~10~~ 11 refers to three kinds of payment rates: a full-day service rate for persons who receive at least six service hours a day, including the time it takes to transport the person to and from the service site; a partial-day service rate that must not exceed 75 percent of the full-day service rate for persons who receive less than a full day of service; and a transportation rate for providing, or arranging and paying for, transportation of a person to and from the person's residence to the service site.

Sec. 37. Minnesota Statutes 1989 Supplement, section 252.46, subdivision 2, is amended to read:

Subd. 2. [~~1989 AND 1990~~ RATE MINIMUM.] Unless a variance is granted under subdivision 6, the minimum payment rates set by a

county board for each vendor ~~for calendar years 1989 and 1990~~ must be equal to the payment rates approved by the commissioner for that vendor in effect January 1, ~~1988, and January 1, 1989, respectively~~ of the previous calendar year.

Sec. 38. Minnesota Statutes 1989 Supplement, section 252.46, subdivision 3, is amended to read:

Subd. 3. [~~1989 AND 1990~~ RATE MAXIMUM.] Unless a variance is granted under subdivision 6, the maximum payment rates for each vendor for ~~calendar years 1989 and 1990~~ a calendar year must be equal to the payment rates approved by the commissioner for that vendor in effect December 1, 1988, and December 1, ~~1989, respectively,~~ of the previous calendar year increased by no more than the projected percentage change in the urban consumer price index, all items, published by the United States Department of Labor, for the upcoming calendar year over the current calendar year.

Sec. 39. Minnesota Statutes 1989 Supplement, section 252.46, subdivision 4, is amended to read:

Subd. 4. [NEW VENDORS.] Payment rates established by a county ~~for calendar years 1989 and 1990,~~ for a new vendor for which there were no previous rates must not exceed 125 percent of the average payment rates in the regional development commission district under sections 462.381 to 462.396 in which the new vendor is located. When at least 50 percent of the persons to be served by the new vendor are persons discharged from a regional treatment center on or after January 1, 1990, the recommended payment rates for the new vendor shall not exceed twice the current statewide average payment rates.

For purposes of this subdivision, persons discharged from the regional treatment center do not include persons who received temporary care under section 252A.111, subdivision 3.

Sec. 40. Minnesota Statutes 1989 Supplement, section 252.46, subdivision 12, is amended to read:

Subd. 12. [RATES ESTABLISHED AFTER 1990.] Unless a variance is granted under subdivision 6, payment rates established by a county for calendar year 1990 and which are in effect December 31, 1990, remain in effect until June 30, 1991. Payment rates established by a county board to be paid to a vendor on or after ~~January~~ July 1, 1991, must be determined under permanent rules adopted by the commissioner. Until permanent rules are adopted, the payment rates must be determined according to subdivisions 1 to 11 except for the period from July 1, 1991, through December 31, 1991, when the increase determined under subdivision 3 must not exceed the projected percentage change in the urban consumer price index, all items, published by the United States Department of Labor, for the

current calendar year over the previous calendar year. No county shall pay a rate that is less than the minimum rate determined by the commissioner.

In developing procedures for setting minimum payment rates and procedures for establishing payment rates, the commissioner shall consider the following factors:

(1) a vendor's payment rate and historical cost in the previous year;

(2) current economic trends and conditions;

(3) costs that a vendor must incur to operate efficiently, effectively and economically and still provide training and habilitation services that comply with quality standards required by state and federal regulations;

(4) increased liability insurance costs;

(5) costs incurred for the development and continuation of supported employment services;

(6) cost variations in providing services to people with different needs;

(7) the adequacy of reimbursement rates that are more than 15 percent below the statewide average; and

(8) other appropriate factors.

The commissioner may develop procedures to establish differing hourly rates that take into account variations in the number of clients per staff hour, to assess the need for day training and habilitation services, and to control the utilization of services.

In developing procedures for setting transportation rates, the commissioner may consider allowing the county board to set those rates or may consider developing a uniform standard.

Medical assistance rates for home and community-based services provided under section 256B.501 by licensed vendors of day training and habilitation services must not be greater than the rates for the same services established by counties under sections 252.40 to 252.47.

Sec. 41. [252.478] [METRO TRANSPORTATION SUPPORT GRANTS.]

Subdivision 1. [ESTABLISHMENT OF PROGRAM.] The commissioner of human services shall establish and operate a metro transportation support grants program to provide reimbursement for client transportation by metro mobility to day training and habilitation services for which client transportation is a required and funded component, and to maximize use of federal funds for this reimbursement. A metro transportation support grants account shall be established in the department of human services chart of accounts.

Subd. 2. [RATES.] Costs of transportation to and from a day training and habilitation service agency must be a part of the payment rate established for each day training and habilitation services agency.

The commissioner may approve payment rates for day training and habilitation services that exceed the limits in Minnesota Statutes, section 252.46, subdivision 6, for vendors whose transportation costs increase as a result of action taken by the regional transit board under Laws of Minnesota 1988, chapter 684, article 2, section 3, or Laws of Minnesota 1989, chapter 269, section 35, or Minnesota Statutes, section 473.386, subdivision 4.

Subd. 3. [COUNTY SHARE.] The county share of the metro transportation support grants program costs will be distributed by the department to all metropolitan counties from the metro transportation support grants account. For state fiscal year 1991, the funds transferred from the regional transit board to this account shall be distributed to: Ramsey county, 48 percent; Hennepin county, 46 percent; Dakota county, five percent; and Anoka county, one percent. For subsequent fiscal years, funds shall be distributed annually based on each county's percentage of total expenses incurred for trips provided on metro mobility to and from day training and habilitation services during the preceding 12-month period. Counties should deposit these funds into the program accounts that will incur the transportation expenses.

Sec. 42. [252.53] [TASK FORCE ON COMPENSATION FOR DIRECT CARE EMPLOYEES.]

The commissioner of human services shall establish a task force on the compensation and training of direct care employees. The purpose of the task force is to address staff turnover, recruitment, and training in order to have a significant number of qualified people working in programs that provide direct care services to individuals. Programs include nursing homes, intermediate care facilities for persons with mental retardation, semi-independent living services, day training and habilitation, waivered services, supported employment, rehabilitation facilities, services for persons with mental illness, child care, and chemical dependency. Members of the task force shall be appointed by the commissioner. Task force

membership shall consist of at least one representative from the department of human services, the department of employee relations, the department of jobs and training, and the department of health, advocates, direct care staff from unionized and nonunionized facilities, providers, collective bargaining representatives, and representatives from institutions of post-secondary education, metro and greater Minnesota counties, and the governor's council on developmental disabilities. The task force shall submit a report to the commissioner by November 1, 1990 that includes recommendations on the following:

(1) entry and promotional level wage ranges for various job classifications which reduce wage and benefit inequities between community and state-operated facilities and services;

(2) implementation of wage and benefit increases over a four-year period to ensure that wages and benefits are brought up to a level competitive within the community marketplace;

(3) mechanisms to link wage increases to initial training, continuing education, and competency;

(4) recruitment and retention of qualified staff; and

(5) the impact of making adjustments pursuant to complying with United States Code, title 29, section 157 (Supp. 1988), and sections 179.16 and 179A.12.

By January 15, 1991 the commissioner shall submit the report and recommended legislation to implement the report to the chairs of the house and senate health and human services committees.

Sec. 43. Minnesota Statutes 1988, section 254A.03, is amended by adding a subdivision to read:

Subd. 4. [RULE AMENDMENT.] The commissioner shall by emergency rulemaking amend Minnesota Rules, parts 9530.6600 to 9530.7030, in order to contain costs and increase collections for the consolidated chemical dependency treatment fund. The amendment must establish criteria that will:

(1) increase the use of outpatient treatment for individuals who can abstain from mood-altering chemicals long enough to benefit from outpatient treatment;

(2) increase the use of outpatient treatment in combination with primary residential treatment;

(3) increase the use of long-term treatment programs for individ-

uals who are not likely to benefit from primary residential treatment; and

(4) limit the repeated use of residential placements for individuals who have been shown not to benefit from residential placements, including long-term residential treatment.

Sec. 44. [254A.17] [PREVENTION AND TREATMENT INITIATIVES.]

Subdivision 1. [TRAINING.] The commissioner shall offer training in chemical dependency diagnostic and intervention services through appropriate human services programs managed by the department. Child care workers, social workers, and others shall be trained to recognize the symptoms of chemical abuse and dependency and respond with appropriate referrals or interventions.

Subd. 2. [ADDICTION RESEARCH.] The commissioner shall award grants to support research in the causes and mitigation of chemical addiction, coordinate these efforts with other related research, and disseminate the results.

Subd. 3. [MATERNAL AND CHILD SERVICE PROGRAMS.] The commissioner shall fund maternal and child health and social service programs designed to improve the health and functioning of children born to mothers using alcohol and controlled substances. Comprehensive programs shall include immediate and ongoing intervention, treatment, and coordination of medical, educational, and social services through a child's preschool years. Programs shall also include research and evaluation to identify methods most effective in improving outcomes among this high-risk population.

Subd. 4. [CHILD PROTECTION PROGRAMS.] The commissioner shall fund innovative child protection programs for children and families at risk due to substance abuse. Funding of a program under this subdivision must result in (1) earlier intervention; (2) the provision of in-home supervision; and (3) case management of all services required. Programs must also include research and evaluation to identify methods most effective in child protection services for this high-risk population.

Subd. 5. [STATEWIDE DETOXIFICATION TRANSPORTATION PROGRAM.] The commissioner shall provide grants to counties, Indian reservations, other nonprofit agencies, or local detoxification programs for provision of transportation of intoxicated individuals to detoxification programs.

Sec. 45. Minnesota Statutes 1989 Supplement, section 254B.03, subdivision 4, is amended to read:

Subd. 4. [DIVISION OF COSTS.] Except for services provided by a county under section 254B.09, subdivision 1, or services provided under section 256B.69 or 256D.03, subdivision 4, paragraph (b), the county shall, out of local money, pay the state for 15 percent of the cost of chemical dependency services, including those services provided to persons eligible for medical assistance under chapter 256B and general assistance medical care under chapter 256D. Counties may use the indigent hospitalization levy for treatment and hospital payments made under this section. Fifteen percent of any state collections from private or third-party pay, less 15 percent of the cost of payment and collections, must be distributed to the county that paid for a portion of the treatment under this section. If all funds allocated according to section 254B.02 are exhausted by a county and the county has met or exceeded the base level of expenditures under section 254B.02, subdivision 3, the county shall pay the state for 15 percent of the costs paid by the state under this section. The commissioner may refuse to pay state funds for services to persons not eligible under section 254B.04, subdivision 1, if the county financially responsible for the persons has exhausted its allocation.

Sec. 46. Minnesota Statutes 1988, section 254B.06, is amended by adding a subdivision to read:

Subd. 1a. [VENDOR COLLECTIONS.] The commissioner may amend Minnesota Rules, parts 9530.7000 to 9530.7025, to require a vendor of chemical dependency transitional and extended care rehabilitation services to collect the cost of care received under a program from an eligible person who has been determined to be partially responsible for treatment costs, and to remit the collections to the commissioner. The commissioner shall pay to a vendor for the collections an amount equal to five percent of the collections remitted to the commissioner by the vendor. The amendment may be adopted under the emergency rulemaking provisions of sections 14.29 to 14.36.

Sec. 47. Minnesota Statutes 1988, section 254B.08, is amended to read:

254B.08 [FEDERAL WAIVERS.]

The commissioner shall apply for any federal waivers necessary to secure, to the extent allowed by law, federal financial participation for the provision of services to persons who need chemical dependency services. The commissioner may seek amendments to the waivers or apply for additional waivers to contain costs. The commissioner shall ensure that payment for the cost of providing chemical dependency services under the federal waiver plan does not exceed the cost of chemical dependency services that would have been provided without the waivered services.

~~Notwithstanding sections 254B.04 and 256B.02, subdivision 8,~~

~~clause (18), and rules adopted under section 254B.03, subdivision 5, persons eligible under sections 256B.055, 256B.056, and 256B.06 for medical assistance benefits shall not be eligible for services reimbursed through the consolidated chemical dependency fund, except for transitional rehabilitation, extended care programs, and culturally specific programs as defined by Minnesota Rules, part 9530.6605, subpart 13, until the federal Social Security Act, section 2108 (1915B), program waivers are secured. Until the necessary federal program waivers are secured, persons eligible for medical assistance benefits under sections 256B.055, 256B.056, and 256B.06 shall be eligible for chemical dependency treatment services under sections 256B.02, subdivision 8, and 256B.0625.~~

Sec. 48. Minnesota Statutes 1989 Supplement, section 256.74, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT.] The amount of assistance which shall be granted to or on behalf of any dependent child and mother or other needy eligible relative caring for the dependent child shall be determined by the county agency in accordance with rules promulgated by the commissioner and shall be sufficient, when added to all other income and support available to the child, to provide the child with a reasonable subsistence compatible with decency and health. The amount shall be based on the method of budgeting required in Public Law Number 97-35, section 2315, United States Code, title 42, section 602, as amended and federal regulations at Code of Federal Regulations, title 45, section 233. Nonrecurring lump sum income received by an assistance unit must be budgeted in the normal retrospective cycle. The number of months of ineligibility is determined by dividing the amount of the lump sum income and all other income, after application of the applicable disregards, by the standard of need for the assistance unit. An amount remaining after this calculation is income in the first month of eligibility. If the total monthly income including the lump sum income is larger than the standard of need for a single month the first month of ineligibility is the payment month that corresponds with the budget month in which the lump sum income was received. In making its determination the county agency shall disregard the following from family income:

(1) all of the earned income of each dependent child receiving aid to families with dependent children who is a full-time student or part-time student, and not a full-time employee, attending a school, college, or university, or a course of vocational or technical training designed to fit students for gainful employment as well as all the earned income derived from the job training and partnership act (JTPA) for a dependent child for six calendar months per year, together with unearned income derived from the job training and partnership act;

(2) all educational grants and loans;

(3) the first $90 of each individual's earned income. For self-employed persons, the expenses directly related to producing goods and services and without which the goods and services could not be produced shall be disregarded pursuant to rules promulgated by the commissioner;

(4) thirty dollars plus one-third of each individual's earned income for individuals found otherwise eligible to receive aid or who have received aid in one of the four months before the month of application. With respect to any month, the county welfare agency shall not disregard under this clause any earned income of any person who has: (a) reduced earned income without good cause within 30 days preceding any month in which an assistance payment is made; (b) refused without good cause to accept an offer of suitable employment; (c) left employment or reduced earnings without good cause and applied for assistance so as to be able later to return to employment with the advantage of the income disregard; or (d) failed without good cause to make a timely report of earned income in accordance with rules promulgated by the commissioner of human services. Persons who are already employed and who apply for assistance shall have their needs computed with full account taken of their earned and other income. If earned and other income of the family is less than need, as determined on the basis of public assistance standards, the county agency shall determine the amount of the grant by applying the disregard of income provisions. The county agency shall not disregard earned income for persons in a family if the total monthly earned and other income exceeds their needs, unless for any one of the four preceding months their needs were met in whole or in part by a grant payment. The disregard of $30 and one-third of earned income in this clause shall be applied to the individual's income for a period not to exceed four consecutive months. Any month in which the individual loses this disregard because of the provisions of subclauses (a) to (d) shall be considered as one of the four months. An additional $30 work incentive must be available for an eight-month period beginning in the month following the last month of the combined $30 and one-third work incentive. This period must be in effect whether or not the person has earned income or is eligible for AFDC. To again qualify for the earned income disregards under this clause, the individual must not be a recipient of aid for a period of 12 consecutive months. When an assistance unit becomes ineligible for aid due to the fact that these disregards are no longer applied to income, the assistance unit shall be eligible for medical assistance benefits for a 12-month period beginning with the first month of AFDC ineligibility;

(5) an amount equal to the actual expenditures for the care of each dependent child or incapacitated individual living in the same home and receiving aid, not to exceed: (a) $175 for each individual age two and older, and $200 for each individual under the age of two, when the family member whose needs are included in the eligibility determination is employed for 30 or more hours per week; or (b) $174

for each individual age two or older, and $199 for each individual under the age of two, when the family member whose needs are included in the eligibility determination is not employed throughout the month or when employment is less than 30 hours per week. The dependent care disregard must be applied after all other disregards under this subdivision have been applied;

(6) the first $50 per assistance unit of the monthly support obligation collected by the support and recovery (IV-D) unit. The first $50 of periodic support payments collected by the public authority responsible for child support enforcement from a person with a legal obligation to pay support for a member of the assistance unit must be paid to the assistance unit within 15 days after the end of the month in which the collection of the periodic support payments occurred and must be disregarded when determining the amount of assistance;

(7) that portion of an insurance settlement earmarked and used to pay medical expenses, funeral and burial costs, or to repair or replace insured property; and

(8) all earned income tax credit payments received by the family as a refund of federal income taxes or made as advance payments by an employer.

A review of a payment decision under clause (6) must be requested within 30 days after receiving the notice of collection of assigned support, or within 90 days after receiving the notice if good cause can be shown for not making the request within the 30-day limit.

Sec. 49. [256.9791] [MEDICAL SUPPORT BONUS INCENTIVES.]

Subdivision 1. [BONUS INCENTIVE.] (a) A bonus incentive program is created to increase the identification and enforcement by county agencies of dependent health insurance coverage for persons who are receiving medical assistance under section 256B.055 and for whom the county agency is providing child support enforcement services.

(b) The bonus shall be awarded to a county child support agency for each person for whom coverage is identified and enforced by the child support enforcement program when the obligor is under a court order to provide dependent health insurance coverage.

Subd. 2. [DEFINITIONS.] For the purpose of this section, the following definitions apply.

(a) "Case" means a family unit that is receiving medical assis-

tance under section 256B.055 and for whom the county agency is providing child support enforcement services.

(b) "Commissioner" means the commissioner of the department of human services.

(c) "County agency" means the county child support enforcement agency.

(d) "Coverage" means initial dependent health insurance benefits for a case or individual member of a case.

(e) "Enforceable order" means a child support court order containing the statutory language in section 518.171 or other language ordering an obligor to provide dependent health insurance coverage.

(f) "Enforce" or "enforcement" means obtaining proof of current or future dependent health insurance coverage through an overt act by the county agency.

(g) "Identify" or "identification" means obtaining proof of dependent health insurance coverage through an overt act by the county agency.

Subd. 3. [ELIGIBILITY; REPORTING REQUIREMENTS.] (a) In order for a county to be eligible to claim a bonus incentive payment, the county agency must report to the commissioner no later than August 1 of each fiscal year the number of cases as of June 30 of the preceding fiscal year in which: (1) the court has established an obligation for coverage by the obligor and (2) the number of cases in which coverage was in effect as of June 30. The ratio resulting when the number of cases reported in clause (2) is divided by the number of cases reported under (1) shall be used to determine the amount of the bonus incentive according to subdivision 4.

(b) A county that fails to submit the required information by August 1 of each fiscal year will be ineligible for any bonus payments under this section for that fiscal year.

Subd. 4. [RATE OF BONUS INCENTIVE.] The rate of the bonus incentive shall be determined according to paragraphs (a) to (c).

(a) When a county agency has identified or enforced coverage in up to and including 50 percent of its cases, the county shall receive $15 for each person for whom coverage is identified or enforced.

(b) When a county agency has identified or enforced coverage in more than 50 percent but less than 80 percent of its cases, the county shall receive $20 for each person for whom coverage is identified or enforced.

(c) When a county agency has identified or enforced coverage in 80 percent or more of its cases, the county shall receive $25 for each person for whom coverage is identified or enforced.

Subd. 5. [CLAIMS FOR BONUS INCENTIVE.] (a) Beginning July 1, 1990, county agencies shall file a claim for a medical support bonus payment by reporting to the commissioner the following information for each case where dependent health insurance is identified or enforced as a result of an overt act of the county agency:

(1) child support enforcement system case number or county specific case number;

(2) names and dates of birth for each person covered; and

(3) effective date of coverage.

(b) The report shall be made upon enrollment in coverage but no later than September 30 for coverage identified or established during the preceding fiscal year.

(c) The county agency making the initial contact resulting in the establishment of coverage shall be the county agency to claim the bonus incentive even if the case is transferred to another county agency prior to the actual establishment of coverage.

(d) Disputed claims shall be submitted to the commissioner whose decision shall be final.

Subd. 6. [DISTRIBUTION.] (a) Bonus incentives shall be issued to the county agency quarterly, within 45 days after the last day of each quarter for which a bonus incentive is being claimed, and shall be paid up to the limit of the appropriation in the order in which claims are received.

(b) Total bonus incentives shall be computed by multiplying the number of persons included in claims submitted in accordance with this section by the applicable bonus payment as determined in subdivision 4. A county agency must maintain a record of bonus incentives claimed and received for each quarter.

(c) The county agency will be required to pay back any bonus erroneously issued.

Sec. 50. [256.984] [ADMINISTRATIVE FRAUD DISQUALIFICATION HEARINGS.]

Subdivision 1. [HEARING AUTHORITY.] A local agency may also initiate an administrative fraud disqualification hearing for individuals accused of wrongfully obtaining assistance or inten-

tional program violations in the AFDC or food stamp programs. The hearing is subject to the requirements of section 256.045.

Subd. 2. [COMBINED HEARING.] The referee may combine a fair hearing and administrative fraud disqualification hearing into a single hearing if the factual issues arise out of the same, or related, circumstances and the individual receives prior notice that the hearings will be combined. If the administrative fraud disqualification hearing and fair hearing are combined, the time frames for administrative fraud disqualification hearings apply.

Sec. 51. [256.985] [DISQUALIFICATION PROVISIONS.]

Subdivision 1. [DISQUALIFICATION FROM PROGRAM.] (a) Any person found by clear and convincing evidence, by a federal or state court or in an administrative hearing, to have wrongfully obtained assistance in the AFDC or food stamp programs shall be disqualified from that assistance program and the needs of that individual shall not be taken into consideration in determining the grant or assistance level. The period of disqualification shall be as follows:

(1) for a first offense, six months;

(2) for a second offense, 12 months; and

(3) for a third or subsequent offense, permanent disqualification.

The disqualification period shall begin within 45 days of the date on which the fraud determination is made, unless the individual is not a current participant in the program. If the individual is not a current participant in the program, the disqualification period shall begin when the individual has applied and been determined eligible for benefits.

(b) Any period for which sanctions are imposed is effective, without possibility of administrative stay, until the finding upon which the sanctions were imposed is reversed by a court of competent jurisdiction. The period for which sanctions are imposed is not subject to review. The sanctions provided under this subdivision are in addition to, and not in substitution for, any other sanctions that may be provided for by law for the offense involved.

(c) The commissioner may adopt rules as necessary to conduct administrative fraud disqualification hearings in accordance with section 256.984 and this section.

Subd. 2. [INELIGIBILITY FOR GENERAL ASSISTANCE.] No person disqualified from any federally aided assistance program

shall be eligible for general assistance during the period covered by the disqualification sanction.

Sec. 52. Minnesota Statutes 1989 Supplement, section 256B.092, subdivision 7, is amended to read:

Subd. 7. [SCREENING TEAMS ESTABLISHED.] (a) 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 persons with mental retardation or related conditions or for whom there is a reasonable indication that they might require the level of care provided by an intermediate care facility. The screening team shall make an evaluation of need within 15 working days of the date that the assessment is completed or within 60 working days of a request for service by a person with mental retardation or related conditions, whichever is the earlier, and within five working days of an emergency admission of an individual to an intermediate care facility for persons with mental retardation or related conditions. The screening team shall consist of the case manager, the client, a parent or guardian, and a qualified mental retardation professional, as defined in the Code of Federal Regulations, title 42, section 483.430, as amended through June 3, 1988. The case manager may also act as the qualified mental retardation professional if the case manager meets the federal definition. County social service agencies may contract with a public or private agency or individual who is not a service provider for the person for the public guardianship representation required by the screening or individual service and habilitation planning process. The contract shall be limited to public guardianship representation for the screening and individual service and habilitation planning activities. The contract shall require compliance with the commissioner's instructions and may be for paid or voluntary services. For individuals determined to have overriding health care needs, a registered nurse must be designated as either the case manager or the qualified mental retardation professional. The case manager shall consult with the client's physician, other health professionals or other persons as necessary to make this evaluation. The case manager, with the concurrence of the client or the client's legal representative, may invite other persons 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.

(b) In addition to the requirements of paragraph (a), the following conditions apply to the discharge of persons with mental retardation or a related condition from a regional treatment center:

(1) For a person under public guardianship, at least two weeks prior to each screening team meeting the case manager must notify in writing parents, near relatives, and the ombudsman established

under section 245.92 or a designee, and invite them to attend. The notice to parents and near relatives must include: (i) notice of the provisions of section 252A.03, subdivision 4, regarding assistance to persons interested in assuming private guardianship; (ii) notice of the rights of parents and near relatives to object to a proposed discharge by requesting a review as provided in clause (7); and (iii) information about advocacy services available to assist parents and near relatives of persons with mental retardation or related conditions. In the case of an emergency screening meeting, the notice must be provided as far in advance as practicable.

(2) Prior to the discharge, a screening must be conducted under subdivision 8 and a plan developed under subdivision 1a. For a person under public guardianship, the county shall encourage parents and near relatives to participate in the screening team meeting. The screening team shall consider the opinions of parents and near relatives in making its recommendations. The screening team shall determine that the services outlined in the plan are available in the community before recommending a discharge. The case manager shall provide a copy of the plan to the person, legal representative, parents, near relatives, the ombudsman established under section 245.92, and the protection and advocacy system established under United States Code, title 42, section 6042, at least 30 days prior to the date the proposed discharge is to occur. The information provided to parents and near relatives must include notice of the rights of parents and near relatives to object to a proposed discharge by requesting a review as provided in clause (7). If a discharge occurs, the case manager and a staff person from the regional treatment center from which the person was discharged must conduct a monitoring visit as required in Minnesota Rules, part 9525.0115, within 90 days of discharge and provide an evaluation within 15 days of the visit to the person, legal representative, parents, near relatives, ombudsman, and the protection and advocacy system established under United States Code, title 42, section 6042.

(3) In order for a discharge or transfer from a regional treatment center to be approved, the concurrence of a majority of the screening team members is required. The screening team shall determine that the services outlined in the discharge plan are available and accessible in the community before the person is discharged. The recommendation of the screening team cannot be changed except by subsequent action of the team and is binding on the county and on the commissioner. If the commissioner or the county determines that the decision of the screening team is not in the best interests of the person, the commissioner or the county may seek judicial review of the screening team recommendation. A person or legal representative may appeal under section 256.045, subdivision 3 or 4a.

(4) For persons who have overriding health care needs or behaviors that cause injury to self or others, or cause damage to property that

is an immediate threat to the physical safety of the person or others, the following additional conditions must be met:

(i) For a person with overriding health care needs, either a registered nurse or a licensed physician shall review the proposed community services to assure that the medical needs of the person have been planned for adequately. For purposes of this paragraph, "overriding health care needs" means a medical condition that requires daily clinical monitoring by a licensed registered nurse.

(ii) For a person with behaviors that cause injury to self or others, or cause damage to property that is an immediate threat to the physical safety of the person or others, a qualified mental retardation professional, as defined in paragraph (a), shall review the proposed community services to assure that the behavioral needs of the person have been planned for adequately. The qualified mental retardation professional must have at least one year of experience in the areas of assessment, planning, implementation, and monitoring of individual habilitation plans that have used behavior intervention techniques.

(5) No person with mental retardation or a related condition may be discharged from a regional treatment center before an appropriate community placement is available to receive the person.

(6) Effective July 1, 1996, a resident of a regional treatment center may not be discharged to a community intermediate care facility with a licensed capacity of more than 15 beds. Effective July 1, ~~1993~~ 1998, a resident of a regional treatment center may not be discharged to a community intermediate care facility with a licensed capacity of more than ten beds.

(7) If the person, legal representative, parent, or near relative of the person proposed to be discharged from a regional treatment center objects to the proposed discharge, the individual who objects to the discharge may request a review under section 256.045, subdivision 4a, and may request reimbursement as allowed under section 256.045. The person must not be transferred from a regional treatment center while a review or appeal is pending. Within 30 days of the request for a review, the local agency shall conduct a conciliation conference and inform the individual who requested the review in writing of the action the local agency plans to take. The conciliation conference must be conducted in a manner consistent with section 256.045, subdivision 4a. A person, legal representative, parent, or near relative of the person proposed to be discharged who is not satisfied with the results of the conciliation conference may submit to the commissioner a written request for a hearing before a state human services referee under section 256.045, subdivision 4a. The person, legal representative, parent, or near relative of the person proposed to be discharged may appeal the order to the district court of the county responsible for furnishing assistance by serving

a written copy of a notice of appeal on the commissioner and any adverse party of record within 30 days after the day the commissioner issued the order and by filing the original notice and proof of service with the court administrator of the district court. Judicial review must proceed under section 256.045, subdivisions 7 to 10. For a person under public guardianship, the ombudsman established under section 245.92 may object to a proposed discharge by requesting a review or hearing or by appealing to district court as provided in this clause. The person must not be transferred from a regional treatment center while a conciliation conference or appeal of the discharge is pending.

Sec. 53. Minnesota Statutes 1988, section 256E.06, subdivision 2, is amended to read:

Subd. 2. [FORMULA LIMITATION.] The amounts computed pursuant to subdivision 1 shall be subject to the following limitations:

(a) No county shall be allocated more than 130 percent of the amount received prior to any penalty imposed under subdivision 7 in the immediately preceding year. 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.

(b) Each county shall be guaranteed a percentage increase over the previous year's allocation equal to 0.2 percent for each percentage increase in the statewide allocation, up to a maximum guaranteed increase of one percent when the statewide allocation increases by five percent or more. If the amount allocated to any county pursuant to subdivision 1 is less than this amount, the shortage shall be recovered from all counties in direct proportion to their initial allocations.

(c) If the amount to be allocated statewide in any year is less than the amount allocated in the previous year, then the provisions of clause (b) shall not apply, and each county's allocation shall be equal to its previous year's allocation reduced by the same percentage that the statewide allocation was reduced.

Sec. 54. Minnesota Statutes 1988, section 256E.06, subdivision 7, is amended to read:

Subd. 7. [FAILURE TO LEVY.] A county which levies less than the levy required in subdivision 5, shall receive a reduction in the aid calculated pursuant to subdivisions 1 and 2. The commissioner shall calculate the reduced aid as follows:

(a) Divide the amount levied by the amount required to be levied in subdivision 5; and

(b) Multiply the ratio derived in clause (a) times the aid calculated under ~~subdivision~~ subdivisions 1 and 2.

The amount of the reduction in aid shall be returned to the general fund. The reduction in aid imposed under this subdivision shall be effective for one year, and aid in the following year shall be calculated under subdivisions 1 and 2 as though the reduction had not occurred.

Sec. 55. [PURPOSE OF JOB IMPACT STATEMENT AND PREFEASIBILITY STUDY.]

A public financing role in economic development is justified for two reasons: to create or retain jobs, and to increase the tax base. Therefore it is important to support development that provides employment growth and good wages and benefits, and to encourage and support labor market stability and long-term business presence in communities. It is also important to communities and their residents to protect existing jobs and assure that actions taken by employers and government units do not lead to the temporary or permanent displacement of existing jobs through plant closings or dislocation. The purpose of the jobs impact statement is to require government units that plan to provide financial assistance for new commercial or industrial development, or plan to undertake the development themselves, to examine the potential effects of the development and to discuss them publicly. It is also important to monitor development to ensure public accountability by measuring how accurate the information from the job impact statement proved to be.

Sec. 56. [268.452] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For the purposes of sections 268.452 to 268.455, the following terms have the meanings given them.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of jobs and training.

Subd. 3. [DEVELOPMENT.] "Development" means a multiunit rental property, or commercial or industrial project that in some way benefits from a governmental action or a project developed by a government unit, which will result or could potentially result in the displacement of jobs or which the parties involved claim to retain jobs or increase the number of jobs.

Subd. 4. [DISPLACEMENT.] "Displacement" means the loss of

employment by an individual resulting from a governmental action. An individual is not displaced if the employment loss at the site is the result of the relocation or consolidation of part or all of the employer's operations, and prior to the closing the government unit documents that: (1) the employer offers to transfer the individual to a different site of employment within a reasonable commuting distance, or (2) the employer's operations are relocated to a site within a reasonable commuting distance.

Subd. 5. [GOVERNMENTAL ACTION.] "Governmental action" means an effort made by a government unit to undertake, encourage, or promote development; or significantly restructure the administration or delivery of government services which could potentially result in a loss of jobs. These efforts include, but are not limited to, developments financed or administered directly by a government unit; a reduction in property taxes to encourage the development; and financial assistance through loans, loan guaranties, interest subsidies, tax increment financing, tax-exempt financing, grants, or other financing tools utilized by a government unit to encourage development.

Subd. 6. [GOVERNMENT UNIT.] "Government unit" means any state agency defined in section 16A.011, subdivision 2, the greater Minnesota corporation, metropolitan agency defined in section 473.121, subdivision 5a, University of Minnesota, statutory or home rule charter city, county, town, watershed district organized under chapter 112, or local economic development agency. Local economic development agencies include all entities or agencies authorized, organized, or created under chapter 469; and all port authorities created by special law.

Subd. 7. [JOB IMPACT STATEMENT; STATEMENT.] "Job impact statement" or "statement" means the detailed job impact statement required under section 268.453.

Subd. 8. [RETAIN.] "Retain" means that without the governmental action, the job could not be continued.

Sec. 57. [268.453] [JOB IMPACT STATEMENT.]

Subdivision 1. [JOB IMPACT STATEMENT REQUIREMENT.] When it is determined by the government unit that a governmental action or development will result or could potentially result in the displacement of jobs or the parties involved in the development or governmental action claim it will retain or increase the number of jobs, the government unit that is responsible for the governmental action must prepare a job impact statement before initiating the governmental action. If the responsible government unit does not prepare a statement, a person, community group, labor organization, or other organization may appeal to the commissioner to require the responsible government unit to prepare a statement.

The commissioner must determine within ten working days if a statement is required; and if a statement is required, the commissioner shall require the responsible government unit to prepare a statement. No job impact statement will be required if a government unit informs the commissioner that the governmental action under appeal is the result of a budgeting decision and the government unit has determined that the governmental action will not result in a significant restructuring of the administration or delivery of government services. When there is more than one government unit responsible for governmental actions affecting a specific development, the units involved must agree which unit is responsible for preparing the statement. This government unit may request information from all government units involved in the development.

Subd. 2. [JOB IMPACT STATEMENT CONTENTS.] (a) A job impact statement required under subdivision 1 must include the following information:

(1) number and types of permanent jobs that will be displaced, retained, or created as a result of the development;

(2) wage rates and benefits of the permanent jobs that will be displaced, retained, or created; and

(3) the total financial assistance provided by government units to the development.

(b) In addition to the information required under paragraph (a), the following information must be included in the job impact statement when there has been or potentially could be a displacement of jobs as a result of a governmental action or development:

(1) description of the demographic characteristics of the work force that could be displaced;

(2) description of skill levels and educational needs of the jobs that could be displaced;

(3) discussion of the likelihood of workers that may be displaced by the development of finding new jobs with comparable pay and benefits;

(4) past experience of parties involved in the development of meeting employment projections for other developments; and

(5) identification, if any, of alternatives to mitigate the job displacement due to the governmental action or development.

(c) In preparing the information required under this subdivision,

the commissioner must assist the government unit if so requested by the unit.

Subd. 3. [PUBLIC COMMENT.] The government unit must distribute the job impact statement to labor unions or other employee representatives that might be affected by the governmental action, community-based organizations that have expressed an interest in the development, and other persons or organizations that request a copy of the job impact statement. In addition, the job impact statement must be posted at the employment site where workers may be displaced as a result of the governmental action.

After the completion and distribution of the job impact statement, a public hearing must be held but only when the governmental action may or will result in the displacement of jobs. The appropriate governing board or senior official of the government unit must hold the public hearing on the completed statement prior to the government unit's approval of any development that receives or benefits from a governmental action. Notice of the public hearing must be provided in a newspaper of general circulation not less than ten days nor more than 30 days before the date of the hearing.

Subd. 4. [STATEMENT SUBMITTED TO COMMISSIONER; ANNUAL REPORT.] After the public meeting required under subdivision 3 and after any changes have been made as a result of testimony at the public hearing, the government unit must submit the statement to the commissioner. The commissioner must prepare and submit a report to the governor and legislature by February 1 of each year that compiles and summarizes the results of the individual statements and the monitoring reports required in section 268.455 submitted to the commissioner in the previous year. The annual report must also contain the commissioner's assessment of the overall process of preparing the statements and any recommendations the commissioner may have in improving the process.

Sec. 58. [268.454] [DISPLACED WORKER BENEFITS.]

If the statement finds that workers will be displaced or if the actual development or governmental action results in the displacement of existing workers, the government unit responsible for the governmental action must initiate and coordinate efforts with employers, developers, service providers, and other appropriate parties to attempt to secure necessary benefits for the displaced workers. The government unit must assess which of the following benefits are required by the displaced workers and must initiate and coordinate efforts to attempt to provide the required benefits. These benefits must include:

(1) retraining and education expenses;

(2) relocation expenses;

(3) health insurance expenses;

(4) supplemental unemployment insurance payments;

(5) child care expenses when the displaced worker is enrolled in education or retraining; and

(6) emergency expenses for shelter, clothing, and food.

The government unit must work with employment and training services providers, other government units, community organizations, labor organizations, and other organizations in efforts to administer and deliver these benefits. The government unit may contribute to but is not financially obligated for the benefits listed in clauses (1) to (6) and other benefits provided to dislocated workers under this subdivision; but is obligated for the costs of the initiation and coordination responsibilities required of the government unit under this subdivision. The government unit may participate in providing benefits.

Sec. 59. [268.455] [MONITORING.]

Each government unit must submit an annual report by February 1 of each year. The purpose of the report is to summarize all job impact statements completed during the previous year which will provide public accountability of governmental action. An explanation of any significant changes in actual employment and wage information compared to the jobs impact statement prepared for that development or governmental action in any of the three previous years must be included in the report.

Sec. 60. [268.981] [DEFINITIONS.]

Subdivision 1. [TERMS.] For the purposes of sections 268.981 to 268.989, the following terms have the meanings given them.

Subd. 2. [ACQUISITION.] "Acquisition" means a transaction where a person assumes control of a business entity either by (1) acquiring through the purchase or transfer of the stock and assets of another business entity, or (2) merging with another business entity. Acquisition includes mergers, corporate takeovers, and leveraged buyouts.

Subd. 3. [AFFECTED EMPLOYEE.] "Affected employee" means a worker laid off by an employer because of a plant closing or mass layoff.

Subd. 4. [CITY.] "City" means a home rule charter or statutory city.

Subd. 5. [COMMISSIONER.] "Commissioner" means the commissioner of jobs and training.

Subd. 6. [COMMUNITY RESPONSE COMMITTEE.] "Community response committee" or "committee" is the community response committee established under section 268.982.

Subd. 7. [CONTROL.] "Control" means: (1) the ownership, direct, indirect, or by acting through one or more other persons, the control of, or the power to vote 25 percent or more of, any class of voting securities; (2) control in any manner over the election of a majority of the directors; or (3) the power to exercise, directly or indirectly, a controlling influence over management and policies.

Subd. 8. [EMPLOYER.] "Employer" means the person who, as a result of a merger, leveraged buyout, corporate takeover, or other acquisition, owns or operates an establishment within this state where the employment is (1) 25 or more employees, excluding part-time employees, or (2) 25 or more employees who in the aggregate work at least 1,000 hours per week exclusive of hours of overtime. Employer does not include a unit of government or an organization that is exempt from taxation under section 501 of the Internal Revenue Code of 1986, as amended through December 31, 1988.

Subd. 9. [ESTABLISHMENT.] "Establishment" means a single site of employment or one or more facilities or operating units within a single site of employment owned by an employer.

Subd. 10. [MASS LAYOFF.] "Mass layoff" means a reduction in the work force at an establishment, within three years of an acquisition by an employer, that:

(1) is not the result of a plant closing; and

(2) results in an employment loss at the single site of employment or an establishment during any 30-day period for at least:

(i) 25 percent of the employees, excluding any part-time employees, and at least 25 employees, excluding any part-time employees; or

(ii) 50 employees, excluding any part-time employees.

Subd. 11. [PART-TIME EMPLOYEE.] "Part-time employee" means an employee who is employed for an average of fewer than 20 hours per week in the three months preceding the date of plant closing or mass layoff or an employee who has been employed for fewer than six of the 12 months preceding the date of the plant closing or mass layoff.

Subd. 12. [PERSON.] "Person" means a natural person, organization, sole proprietorship, public or private corporation, partnership, or other business entity.

Subd. 13. [PLANT CLOSING.] "Plant closing" means the shutdown or termination of operations of an establishment, within three years of an acquisition by an employer, if the shutdown results in an employment loss at the single site of employment during any 30-day period for 25 or more employees excluding any part-time employees.

Subd. 14. [PUBLIC ASSISTANCE.] "Public assistance" means financial assistance provided to a person by the state, city, county, or town. Financial assistance includes loans, grants, interest subsidies, property acquisition writedowns, tax credits, tax abatements, interest cost savings from tax-exempt bonds and other securities issued on behalf of the employer, wage subsidies provided under this chapter, and utility connections paid by the public entity to the business entity.

Sec. 61. [268.982] [COMMUNITY RESPONSE COMMITTEE.]

A community response committee may be created in each community in which an employer has engaged in a plant closing or mass layoff. The committee must consist of at least 11 members and have representatives of the city or town in which the establishment is located, the appropriate county, employees that were laid off due to the plant closing or mass layoff, and recognized leaders of community groups in the area in which the establishment is located. When the establishment is located within the boundaries of a city, the mayor of that city shall appoint the members of the community response committee. When the establishment is located outside a city's boundaries, the committee shall be appointed by the governing body of the county in which the establishment is located. The committee may elect a chair and officers. Before funds made available under section 268.983 may be spent or distributed, a committee must be established and the commissioner must certify that the membership meets the requirements of this section.

The committee must:

(1) undertake a needs analysis of the community and the workers laid off because of the plant closing or mass layoff;

(2) distribute the funds made available under section 268.983 based on the needs analysis required under clause (1);

(3) determine the necessary eligibility criteria required under section 268.983, subdivisions 4 and 5, for the community service emergency grants and wage subsidies; and

(4) work closely with the commissioner and employment and training service providers in ensuring that services are made available to employees laid off because of a plant closing or mass layoff.

Sec. 62. [268.983] [COMMUNITY SUPPORT RESOURCES.]

Subdivision 1. [EMPLOYER FINANCIAL RESPONSIBILITIES.] An employer that engages in a plant closing or mass layoff within three years after an acquisition must pay the appropriate local unit of government an amount equal to ten percent of the total wages and salaries paid to affected employees of the establishment during the 12 months prior to the plant closing or mass layoff. The payment required under this subdivision is paid to the city when the establishment is located within the boundaries of a city and to the county when the establishment is located outside a city's boundaries. The payment must be made within two weeks of the date of the plant closing or mass layoff. The money collected under this subdivision may only be used for:

(1) economic development planning grants under subdivision 3;

(2) community service emergency grants under subdivision 4;

(3) wage subsidies under subdivision 5; or

(4) administrative cost reimbursement under subdivision 2.

Subd. 2. [FISCAL AGENT.] The city or county which receives the required payment from an employer under subdivision 1 must act as the fiscal agent for the money and only disburse the money for eligible uses outlined under this section at the direction of the community response committee established under section 268.982. The city or county shall provide administrative support to the committee. Up to five percent of the money received under subdivision 1 may be used to reimburse the city or county for the administrative support.

Subd. 3. [ECONOMIC DEVELOPMENT PLANNING GRANTS.] The community response committee may award economic development planning grants to government units or other public agencies, nonprofit organizations, for-profit organizations, or other persons to examine the short-term and long-term alternatives for strengthening the economy in the area surrounding the establishment that has experienced the plant closing or mass layoff. The committee shall award grants under this subdivision to public agencies, organizations, or persons that have the qualifications and experience for examining the alternatives. The examination of alternatives must address the following:

(1) an estimate of the economic effect of the plant closing or mass layoff in terms of direct and indirect jobs lost and, if possible, the reduction in the area's income;

(2) an estimate of the ability of other employers in the area to absorb in their work force the laid-off workers;

(3) an identification of area businesses that have the potential for expansion and the financial and other resources as well as the worker skills required of such an expansion;

(4) an identification of financial and other incentives that might be required to reopen the establishment under new ownership and management;

(5) a statement of whether the closed establishment can be reopened as an employee-owned establishment;

(6) identify the industries that might be candidates for expansion in the area and the incentives that might be required to encourage their development or location in the area; and

(7) identify the skills required by the laid-off workers to increase their chances of finding employment in the area or other regions of the state.

Subd. 4. [COMMUNITY SERVICE EMERGENCY GRANTS.] The community response committee may provide emergency grants to workers and their families directly affected by the plant closing or mass layoff. The emergency grants may be used for the immediate food, clothing, shelter, transportation, training, and relocation needs of these workers. The committee may contract with a local unit of government, other public agency, community action program, or a nonprofit organization to provide the emergency grants awarded under this subdivision. The committee or organization contracting with the committee shall coordinate their efforts with existing area providers of these emergency needs.

Subd. 5. [WAGE SUBSIDIES.] The community response committee may contract with a certified local service provider defined in section 268.673, subdivision 4a, to provide wage subsidies to workers laid off because of a plant closing or mass layoff. Wage subsidy money under this subdivision must be distributed in the same manner that wage subsidies are used under section 268.677. Wage subsidies under this subdivision must be given to businesses and other employers who have jobs available that offer potential for long-term employment. Business and other employers that receive wage subsidy payments under this subdivision are subject to section 268.681.

Sec. 63. [268.984] [SEVERANCE PAYMENT.]

Subdivision 1. [SEVERANCE PAYMENT.] Each employer owning or operating a facility engaged in a plant closing or mass layoff shall make a severance payment to an affected employee if the affected employee has been employed by the employer for three or more years. The payment may, at the option of the employer, be made before or at the termination of the affected employee. The severance payment must be equal to the gross weekly wage of the affected employee at the time of termination, multiplied by the number of full and partial years for which the employee has been employed by the employer. For an affected employee whose gross weekly wage has been reduced within one year of a plant closing as a result of a reduction in the average weekly number of hours worked by the employee, the severance payment must be equal to the affected employee's gross weekly wage before the reduction in the average weekly number of hours worked, multiplied by the number of full and partial years for which the employee has been employed by the employer.

Subd. 2. [OTHER PAYMENTS.] Vacation pay, accrued wages, and other types of payments made for a reason other than compensation for termination of employment are not severance payments under subdivision 1.

Sec. 64. [268.985] [HEALTH CARE COVERAGE.]

Each employer who engages in a plant closing or mass layoff and who has had an employer-paid health insurance plan in place within the previous three-year period preceding the date of the plant closing or mass layoff shall pay to each affected employee an amount equal to 12 times the most recent monthly premium paid by the employer on behalf of the employee. The employer is not obligated to make this payment if the employer chooses to continue the health insurance plan for one year after the plant closing or mass layoff, with the employer paying at least the same portion of the premium that the employer paid before the employee was terminated. The employer shall also continue to make the health insurance plan available to each affected employee as required in section 62A.17 or in federal law.

Sec. 65. [268.986] [PRIORITY OF CLAIMS.]

To the extent not otherwise determined by federal law, a money claim on behalf of an affected employee against an employer engaged in a plant closing has priority over all other claims against an employer, except wage and salary claims.

Sec. 66. [268.987] [EMPLOYER APPEAL PROCESS.]

Subdivision 1. [APPEALS PANEL.] The governor shall appoint a seven-member appeals panel consisting of three members representing business interests, three members representing labor interests, and one member representing the general public who acts as chair. At least four of the members must have experience or knowledge of business financing or public accounting. The terms, compensation, expenses, vacancies, and removal of members are as provided in section 15.0575. The commissioner of jobs and training must provide administrative support to the panel.

The employer may not cause a plant closing or mass layoff until the appeals board has rendered a decision on an appeal by the employer under subdivision 2 or 3. The panel must render its decision within 30 days of the appeal request by an employer. The 30-day limit may be extended if both the employer and the panel agrees to the extension.

The commissioner may contract with a public accounting firm or others to provide technical assistance to the panel. Members of the panel, the commissioner, or any of the persons the panel has contracted with must have access to all the employer's financial records and other related information for the past five years to assist in rendering a decision on an appeal made by an employer under subdivision 2 or 3.

Subd. 2. [APPEAL OF PAYMENT.] An employer may appeal to the appeals panel established under subdivision 1 to reduce or eliminate the payment required under section 268.983, the severance and health benefit payments required under sections 268.984 and 268.985, and the repayments of public assistance required under section 268.988. The employer must appeal under this subdivision at least 30 days before the date of the plant closing or mass layoff. The employer may appeal under this subdivision only if the employer determines that the plant closing or mass layoff is likely to be due to one or more of the following:

(1) a natural disaster including, but not limited to, a flood, damage or destruction due to weather, earthquakes, or drought;

(2) a decrease in sales of the employer resulting from economic or market factors that directly affect the demand for the products produced or provided at the establishment; or

(3) the plant closing or mass layoff was required to prevent the acquired business entity from becoming insolvent.

The employer must establish by a preponderance of the evidence that the plant closing or mass layoff was due to one of the reasons outlined in clause (1), (2), or (3), and not because of the financial needs of the employer to pay for debt incurred because of an acquisition or because of a reorganization or duplication of the

operations of the employer. In cases where the operations of the establishment have been terminated or significantly affected by a fire, flood, or other unexpected natural disaster and the result is a plant closing or mass layoff, the employer is not required to appeal 30 days before the plant closing or mass layoff. The employer may appeal under this subdivision but is not required to make payments to the community or affected employees until the appeals decision is rendered by the appeals panel.

Subd. 3. [APPEAL OF REPAYMENT OF PUBLIC ASSISTANCE.] The employer may appeal the amount of public assistance the employer must pay back under section 268.988. The panel must render its decision within 30 days of the appeals request of the employer. The commissioner may contract with public accounting firms or others to provide technical assistance to the panel in determining the correct amount of the repayment.

Sec. 67. [268.988] [REPAYMENT OF PUBLIC ASSISTANCE.]

An employer who causes a plant closing or mass layoff shall pay back or reimburse an amount equal to the amount of public assistance which it or the acquired business entity has received in the past five-year period from a government unit. The amount of public assistance to be repaid under this section equals the sum of the following:

(1) the reduction in the employer's capital expenditures at the establishment as a result of the public assistance including, but not limited to, assistance in acquiring land, buildings, and equipment;

(2) the reduction of the employer's financing costs at the establishment including, but not limited to, savings in interest costs resulting from tax exempt financing;

(3) the reduction in the employer's taxes on the operations at the establishment; and

(4) the reduction in the employer's operating costs at the establishment as the result of other assistance besides tax reductions or abatements.

The amount of public assistance to be repaid that is calculated in clauses (1) to (4) must be adjusted to reflect any amounts that have been recaptured or the employer has been required to repay under the provisions of another law or contractual agreement. The public assistance required to be repaid under this section must be made to the government unit authorizing or enabling the employer to receive the public assistance, regardless of whether the cost or reduction in revenues was borne by another government unit. The employer may appeal the payment amount to the appeals panel

established in section 268.987. The government unit that the public assistance is to be repaid to under this section may enter into an agreement with the recipient of public assistance for the repayment or reimbursement of the public assistance and the time of the repayment.

Sec. 68. [268.989] [NOTIFICATION OF INTENTIONS.]

An employer must provide notice to the commissioner of jobs and training and the home rule or statutory city or county, in which an establishment which the employer has acquired is located, of what the employer's intentions are relating to that specific establishment for the three-year period following the acquisition. The notice must state that the employer plans to cause a plant closing or mass layoff at the establishment if, at the time of the acquisition, the employer has determined that these actions will take place in the three-year period following acquisition. The notice must be provided within two months of the date of acquisition.

Sec. 69. Minnesota Statutes 1988, section 462.357, subdivision 7, is amended to read:

Subd. 7. [PERMITTED SINGLE FAMILY USE.] A state licensed residential facility serving six or fewer persons ~~or~~, a licensed day care facility serving 12 or fewer persons, and a group family day car facility licensed under Minnesota Rules, parts 9502.0315 to 9502.0445 to serve 14 or fewer children shall be considered a permitted single family residential use of property for the purposes of zoning.

Sec. 70. Minnesota Statutes 1988, section 518.54, is amended by adding a subdivision to read:

Subd. 2a. [DEPOSIT ACCOUNT.] "Deposit account" means funds deposited with a financial institution in the form of a savings account, checking account, NOW account, or demand deposit account.

Sec. 71. Minnesota Statutes 1988, section 518.54, is amended by adding a subdivision to read:

Subd. 2b. [FINANCIAL INSTITUTION.] "Financial institution" means a savings association, bank, trust company, credit union, or industrial loan and thrift company, bank and trust company, building and loan association, and includes a branch or detached facility of a financial institution.

Sec. 72. Minnesota Statutes 1988, section 518.551, subdivision 1, is amended to read:

Subdivision 1. [PAYMENT TO PUBLIC AGENCY.] The court shall direct that all payments ordered for maintenance and support be made to the public agency responsible for child support enforcement so long as the obligee is receiving or has applied for public assistance, or has applied for child support and maintenance collection services. An agent representing a public authority responsible for child support enforcement may act as the agent for any other public authority responsible for child support enforcement and collection of judgments, arrears and current child support, maintenance, or medical support. Amounts received by the public agency responsible for child support enforcement greater than the amount granted to the obligee shall be remitted to the obligee.

Sec. 73. Minnesota Statutes 1988, section 518.551, subdivision 5, is amended to read:

Subd. 5. [NOTICE TO PUBLIC AUTHORITY; GUIDELINES.] (a) The petitioner shall notify the public authority of all proceedings for dissolution, legal separation, determination of parentage or for the custody of a child, if either party is receiving aid to families with dependent children or applies for it subsequent to the commencement of the proceeding. After receipt of the notice, the court shall set child support as provided in this subdivision. The court may order either or both parents owing a duty of support to a child of the marriage to pay an amount reasonable or necessary for the child's support, without regard to marital misconduct. The court shall approve a child support agreement of the parties if each party is represented by independent counsel, unless the agreement is not in the interest of justice. In other cases the court shall order child support in accordance with the guidelines and the other factors set forth in paragraph (b) and any departure therefrom.

The court shall multiply the obligor's net income by the percentage indicated by the following guidelines:

Net Income Per Month of Obligor	Number of Children						
	1	2	3	4	5	6	7 or more
$400 and Below	Order based on the ability of the obligor to provide support at these income levels, or at higher levels, if the obligor has the earning ability.						
$401 – 500	14%	17%	20%	22%	24%	26%	28%
$501 – 550	15%	18%	21%	24%	26%	28%	30%
$551 – 600	16%	19%	22%	25%	28%	30%	32%
$601 – 650	17%	21%	24%	27%	29%	32%	34%
$651 – 700	18%	22%	25%	28%	31%	34%	36%
$701 – 750	19%	23%	27%	30%	33%	36%	38%
$751 – 800	20%	24%	28%	31%	35%	38%	40%
$801 – 850	21%	25%	29%	33%	36%	40%	42%

$851 – 900	22%	27%	31%	34%	38%	41%	44%
$901 – 950	23%	28%	32%	36%	40%	43%	46%
$951 – 1000	24%	29%	34%	38%	41%	45%	48%
$1001- 4000	25%	30%	35%	39%	43%	47%	50%

Guidelines for support for an obligor with a monthly income of $4,001 or more shall be the same dollar amounts as provided for in the guidelines for an obligor with a monthly income of $4,000.

Net Income defined as:

Total monthly income less

*Standard Deductions apply- use of tax tables recommended

*(i) Federal Income Tax
*(ii) State Income Tax
(iii) Social Security Deductions
(iv) Reasonable Pension Deductions
(v) Union Dues
(vi) Cost of Dependent Insurance Coverage
(vii) Cost of Individual or Group Health/Hospitalization Coverage or an Amount for Actual Medical Expenses
(viii) A Child Support or Maintenance Order that is Currently Being Paid.

"Net income" does not include the income of the obligor's spouse, but does include in-kind payments received by the obligor in the course of employment, self-employment, or operation of a business if the payments reduce the obligor's living expenses.

(b) In addition to the child support guidelines, the court shall take into consideration the following factors in setting or modifying child support:

(1) all earnings, income, and resources of the parents, including real and personal property;

(2) the financial needs and resources, physical and emotional condition, and educational needs of the child or children to be supported;

(3) the standards of living the child would have enjoyed had the marriage not been dissolved, but recognizing that the parents now have separate households;

(4) the amount of the aid to families with dependent children grant for the child or children;

(5) which parent receives the income taxation dependency exemption and what financial benefit the parent receives from it; and

(6) the parents' debts as provided in paragraph (c).

(c) In establishing or modifying a support obligation, the court may consider debts owed to private creditors, but only if:

(1) the right to support has not been assigned under section 256.74;

(2) the court determines that the debt was reasonably incurred for necessary support of the child or parent or for the necessary generation of income. If the debt was incurred for the necessary generation of income, the court shall consider only the amount of debt that is essential to the continuing generation of income; and

(3) the party requesting a departure produces a sworn schedule of the debts, with supporting documentation, showing goods or services purchased, the recipient of them, the amount of the original debt, the outstanding balance, the monthly payment, and the number of months until the debt will be fully paid.

Any schedule prepared under paragraph (c), clause (3), shall contain a statement that the debt will be fully paid after the number of months shown in the schedule, barring emergencies beyond the party's control.

Any further departure below the guidelines that is based on a consideration of debts owed to private creditors shall not exceed 18 months in duration, after which the support shall increase automatically to the level ordered by the court. Nothing in this section shall be construed to prohibit one or more step increases in support to reflect debt retirement during the 18-month period.

Where payment of debt is ordered pursuant to this section, the payment shall be ordered to be in the nature of child support.

(d) Nothing shall preclude the court from receiving evidence on the above factors to determine if the guidelines should be exceeded or modified in a particular case.

(e) The above guidelines are binding in each case unless the court makes express findings of fact as to the reason for departure below or above the guidelines.

Sec. 74. Minnesota Statutes 1989 Supplement, section 518.551, subdivision 10, is amended to read:

Subd. 10. [ADMINISTRATIVE PROCESS FOR CHILD AND MEDICAL SUPPORT ORDERS.] An administrative process is established to obtain, modify, and enforce child and medical support orders and maintenance.

The commissioner of human services may designate counties to participate in the administrative process established by this section. All proceedings for obtaining, modifying, or enforcing child and medical support orders and maintenance and adjudicating uncontested parentage proceedings, required to be conducted in counties designated by the commissioner of human services in which the county human services agency is a party or represents a party to the action must be conducted by an administrative law judge from the office of administrative hearings, except for the following proceedings:

(1) adjudication of contested parentage;

(2) motions to set aside a paternity adjudication or declaration of parentage;

(3) evidentiary hearing on contempt motions; and

(4) motions to sentence or to revoke the stay of a jail sentence in contempt proceedings.

An administrative law judge may hear a stipulation reached on a contempt motion, but any stipulation that involves a finding of contempt and a jail sentence, whether stayed or imposed, shall require the review and signature of a district judge.

For the purpose of this process, all powers, duties, and responsibilities conferred on judges of the district court to obtain and enforce child and medical support obligations, subject to the limitation set forth herein, are conferred on the administrative law judge conducting the proceedings, including the power to issue orders to show cause and to issue bench warrants for failure to appear.

Before implementing the process in a county, the chief administrative law judge, the commissioner of human services, the director of the county human services agency, the county attorney, and the county court administrator shall jointly establish procedures and the county shall provide hearing facilities for implementing this process in a county.

Nonattorney employees of the public agency responsible for child support in the counties designated by the commissioner, acting at

the direction of the county attorney, may prepare, sign, serve, and file complaints and motions for obtaining, modifying, or enforcing child and medical support orders and maintenance and related documents, appear at prehearing conferences, and participate in proceedings before an administrative law judge. This activity shall not be considered to be the unauthorized practice of law.

The hearings shall be conducted under the rules of the office of administrative hearings, Minnesota Rules, parts 1400.7100 to 1400.7500, 1400.7700, and 1400.7800, as adopted by the chief administrative law judge. All other aspects of the case, including, but not limited to, pleadings, discovery, and motions, shall be conducted under the rules of family court, the rules of civil procedure, and chapter 518. The administrative law judge shall make findings of fact, conclusions, and a final decision and issue an order. Orders issued by an administrative law judge are enforceable by the contempt powers of the county and district courts.

The decision and order of the administrative law judge ~~shall be a final agency decision for purposes of sections 14.63 to 14.69~~ is appealable to the court of appeals in the same manner as a decision of the district court.

Sec. 75. Minnesota Statutes 1988, section 518.611, subdivision 1, is amended to read:

Subdivision 1. [ORDER.] Whenever an obligation for support of a dependent child or maintenance of a spouse, or both, is determined and ordered by a court of this state, the amount of child support or maintenance as determined by court order must be withheld from the income, regardless of source, of the person obligated to pay the support or maintenance. Every order for maintenance or support must include the obligor's social security number and date of birth and the name and address of the obligor's employer or other payor of funds.

Sec. 76. Minnesota Statutes 1988, section 518.611, subdivision 2, is amended to read:

Subd. 2. [CONDITIONS OF INCOME WITHHOLDING.] (a) Withholding shall result whenever the obligor fails to make the maintenance or support payments, and the following conditions are met:

(1) the obligor is at least 30 days in arrears;

(2) the obligee or the public authority serves written notice of income withholding, showing arrearage, on the obligor at least 15 days before service of the notice of income withholding and a copy of the court's order on the payor of funds;

(3) within the 15-day period, the obligor fails to move the court to deny withholding on the grounds that an arrearage of at least 30 days does not exist as of the date of the notice of income withholding, or on other grounds limited to mistakes of fact, and, ex parte, to stay service on the payor of funds until the motion to deny withholding is heard; ~~and~~

(4) the obligee or the public authority serves a copy of the notice of income withholding, a copy of the court's order, and the provisions of this section on the payor of funds; and

(5) the obligee serves on the public authority a copy of the notice of income withholding, a copy of the court's order, an application, and the fee to use the public authority's collection services.

(b) To pay the arrearage specified in the notice of income withholding, the employer or payor of funds shall withhold from the obligor's income an additional amount equal to 20 percent of the monthly child support or maintenance obligation until the arrearage is paid.

(c) The obligor may, at any time, waive the written notice required by this subdivision.

(d) The obligor may move the court, under section 518.64, to modify the order respecting the amount of maintenance or support.

(e) Every order for support or maintenance shall provide for a conspicuous notice of the provisions of this subdivision. An order without this notice remains subject to this subdivision.

(f) Unless otherwise directed by court order, income withholding shall continue in effect after the termination of the ongoing obligation for the amount ordered under this subdivision and subdivision 1, until all arrearages have been paid in full.

Sec. 77. Minnesota Statutes 1988, section 518.611, is amended by adding a subdivision to read:

Subd. 2a. [PREAUTHORIZED TRANSFERS FROM OBLIGOR ACCOUNTS.] In any case where income withholding is ineffective due to the obligor's method of obtaining income, the court shall order the obligor to identify a child support deposit account owned solely by the obligor, or to establish such an account, in a financial institution located in this state for the purpose of depositing court ordered child support payments. The court shall order the obligor to execute an agreement with the appropriate public authority authorizing preauthorized transfers from the obligor's child support deposit account payable to an account of the public authority responsible for child support enforcement. The court shall order the

obligor to disclose to the court all deposit accounts owned by the obligor in whole or in part in any financial institution. The court may order the obligor to disclose to the court the opening or closing of any deposit account owned in whole or in part by the obligor within 30 days. The court may order the obligor to execute an agreement with the appropriate public authority authorizing preauthorized transfers from any deposit account owned in whole or in part by the obligor to the obligor's child support deposit account if necessary to satisfy court-ordered child support payments. The court may order a financial institution to disclose to the court the account number and any other account identification information regarding accounts owned in whole or in part by the obligor. An obligor who fails to comply with this section, fails to deposit funds in at least one deposit account sufficient to pay court-ordered child support, or stops payment or revokes authorization of any preauthorized transfer is subject to contempt of court procedures under chapter 588.

Sec. 78. Minnesota Statutes 1989 Supplement, section 518.611, subdivision 4, is amended to read:

Subd. 4. [EFFECT OF ORDER.] Notwithstanding any law to the contrary, the order is binding on the employer, trustee, ~~or other~~ payor of the funds, or financial institution when service under subdivision 2 has been made. Withholding must begin no later than the first pay period that occurs after 14 days following the date of the notice. In the case of a financial institution, preauthorized transfers shall occur in accordance with a court-ordered payment schedule. An employer ~~or other~~, payor of funds, or financial institution in this state is required to withhold income according to court orders for withholding issued by other states or territories. The payor shall withhold from the income payable to the obligor the amount specified in the order and amounts required under subdivision 2, ~~paragraph (b),~~ and section 518.613 and shall remit, within ten days of the date the obligor is paid the remainder of the income, the amounts withheld to the public authority. The payor shall identify on the remittance information the date the obligor is paid the remainder of the income. The financial institution shall execute preauthorized transfers from the deposit accounts of the obligor in the amount specified in the order and amounts required under subdivision 2 as directed by the public authority responsible for child support enforcement. Employers may combine all amounts withheld from one pay period into one payment to each public authority, but shall separately identify each obligor making payment. Amounts received by the public authority which are in excess of public assistance expended for the party or for a child shall be remitted to the party. An employer shall not discharge, or refuse to hire, or otherwise discipline an employee as a result of a wage or salary withholding authorized by this section. The employer or other payor of funds shall be liable to the obligee for any amounts required to be withheld. A financial institution is liable to the obligee if funds in any of the obligor's deposit accounts identified in the court order

equal the amount stated in the preauthorization agreement but are not transferred by the financial institution in accordance with the agreement.

Sec. 79. Minnesota Statutes 1988, section 518.611, subdivision 8, is amended to read:

Subd. 8. [EMPLOYER AND OBLIGOR NOTICE.] When an individual is hired for employment, the employer shall request that the individual disclose whether or not the individual has court-ordered child support obligations that are required by law to be withheld from income and the terms of the court order, if any. The individual shall disclose this information at the time of hiring. When an individual discloses that the individual owes child support that is required to be withheld, the employer shall begin withholding according to the terms of the order and under this section. When a withholding order is in effect and the obligor's employment is terminated or the periodic payment terminates, the obligor and the obligor's employer or the payor of funds shall notify the public agency responsible for child support enforcement of the termination within ten days of the termination date. The notice shall include the obligor's home address and the name and address of the obligor's new employer or payor of funds, if known. Information disclosed under this section shall not be divulged except to the extent necessary for the administration of the child support enforcement program or when otherwise authorized by law.

Sec. 80. Minnesota Statutes 1988, section 518.611, subdivision 8a, is amended to read:

Subd. 8a. [LUMP SUM PAYMENTS.] (a) Upon the transmittal of the last reimbursement payment to the employee, where a lump sum payment including, but not limited to, severance pay, accumulated sick pay or vacation pay is paid upon termination of employment, and where the employee is in arrears in making court ordered child support payments, the employer shall withhold an amount which is the lesser of (1) the amount in arrears or (2) that portion of the arrearages which is the product of the obligor's monthly court ordered support amount multiplied by the number of months of net income that the lump sum payment represents.

(b) An employer, trustee, or other payor of funds who has been served with a notice of income withholding under subdivision 2 or section 518.613 must:

(1) notify the public authority of any lump sum payment of $500 or more that is to be paid to the obligor;

(2) hold the lump sum payment for 30 days after the date on which the lump sum payment would otherwise have been paid to the obligor; and

(3) upon order of the court, pay any specified amount of the lump sum payment to the public authority for support.

Sec. 81. Minnesota Statutes 1989 Supplement, section 518.613, subdivision 2, is amended to read:

Subd. 2. [ORDER; COLLECTION SERVICES.] Every order for child support must include the obligor's social security number and date of birth and the name and address of the obligor's employer or other payor of funds. Upon entry of the order for support or maintenance, the court shall mail a copy of the court's automatic income withholding order and the provisions of section 518.611 and this section to the obligor's employer or other payor of funds and to the public authority responsible for child support enforcement. An obligee who is not a recipient of public assistance shall apply for the collection services of the public authority when an order for support is entered unless the requirements of this section have been waived under subdivision 7. No later than January 1, 1990, the supreme court shall develop a standard automatic income withholding form to be used by all Minnesota courts. This form shall be made a part of any order for support or decree by reference.

Sec. 82. Minnesota Statutes 1988, section 518C.02, is amended by adding a subdivision to read:

Subd. 1a. [CENTRAL REGISTRY.] "Central registry" means a single unit within the department of human services that receives and disseminates incoming interstate actions filed under title IV-D of the Social Security Act, as amended, including any proceedings under this section.

Sec. 83. Minnesota Statutes 1988, section 518C.02, is amended by adding a subdivision to read:

Subd. 9a. [PUBLIC AUTHORITY.] "Public authority" means the public authority responsible for child support enforcement.

Sec. 84. Minnesota Statutes 1988, section 518C.03, is amended to read:

518C.03 [HOW DUTIES OF SUPPORT ENFORCED.]

Subdivision 1. [DUTIES OF SUPPORT.] All duties of support, including the duty to pay arrearages, are enforceable by a proceeding under sections 518C.01 to 518C.36, including a proceeding for civil contempt. The defense that the parties are immune to suit because of their relationship as husband and wife; or parent and child is not available to the obligor.

Subd. 2. [ARREARAGES.] Arrearages that have become a support

judgment, which is final by operation of law of this state or of any other jurisdiction, shall be given full faith and credit for enforcement purposes. No arrearages or judgment for support may be retroactively modified, except as provided in section 518.64.

Sec. 85. Minnesota Statutes 1988, section 518C.05, is amended to read:

518C.05 [JURISDICTION.]

Except ~~in Hennepin and Ramsey counties, jurisdiction of a proceeding under sections 518C.01 to 518C.36 is vested in the county court. In Hennepin and Ramsey counties~~ as provided for in section 518.551, subdivision 10, jurisdiction of a proceeding under sections 518C.01 to 518C.36 is vested in the district court.

Sec. 86. Minnesota Statutes 1988, section 518C.09, is amended to read:

518C.09 [DUTY OF INITIATING COURT.]

If the initiating court finds that the petition sets forth facts from which it may be determined that the obligor owes a duty of support, and that a court of the responding state may obtain jurisdiction of the obligor or the obligor's property, it shall so certify and cause three copies of the petition and its certificate and one copy of sections 518C.01 to 518C.36 to be sent to the responding court. If the complaint is filed by the public authority, the initiating court shall send the documents to the central registry in the responding state. Certification shall be in accordance with the requirements of the initiating state. If the name and address of the responding court are unknown and the responding state has an information agency comparable to that established in the initiating state, it shall cause the copies to be sent to the state information agency or other proper official of the responding state, with a request that the agency or official forward them to the proper court and that the court of the responding state acknowledge their receipt to the initiating court.

Sec. 87. Minnesota Statutes 1988, section 518C.12, is amended to read:

518C.12 [DUTY OF THE COURT AND THE PROSECUTING ATTORNEY OF THIS STATE AS RESPONDING STATE.]

Subdivision 1. [CENTRAL REGISTRY.] The central registry shall receive filings under title IV-D of the federal Social Security Act, as amended, from the initiating state and shall transmit the filings to the local public authority. The local public authority shall promptly submit the documents to the court administrator.

Subd. 1a. [DOCKETING CASE.] After the responding court receives copies of the petition, the certificate and the substantially similar reciprocal act from the initiating court, the court administrator of the court shall docket the case and notify the prosecuting attorney of the action.

Subd. 2. [PROSECUTION OF CASE.] The prosecuting attorney shall prosecute the case diligently, taking all action necessary in accordance with the laws of this state to enable the court to obtain jurisdiction over the obligor or the obligor's property and shall request the court to set a time and place for a hearing and give notice thereof to the obligor in accordance with law.

Subd. 3. [INVESTIGATION BY PROSECUTING ATTORNEY.] The prosecuting attorney, on personal initiative, shall use all means available to locate the obligor or the obligor's property, and if, because of inaccuracies in the petition or otherwise, the court cannot obtain jurisdiction, the prosecuting attorney shall inform the court of action taken and request the court to continue the case pending receipt of more accurate information or an amended petition from the initiating court.

Subd. 4. [OBLIGOR LOCATED IN ANOTHER COUNTY OR STATE.] If the obligor or the obligor's property is not found in the county, and the prosecuting attorney discovers that the obligor or the obligor's property may be found in another county of this state, or another state, the attorney shall so inform the court. Thereupon, the court administrator shall forward the documents received from the court in the initiating state to a court in the other county, or to a court in the other state, or to the information agency or other proper official of the other state, with a request that the documents be forwarded to the proper court. All powers and duties provided by sections 518C.01 to 518C.36 apply to the recipient of the documents so forwarded. If the court administrator of this state forwards documents to another court, the court administrator shall forthwith notify the initiating court.

Subd. 5. [NO INFORMATION.] If the prosecuting attorney has no information as to the location of the obligor or the obligor's property the attorney shall so inform the initiating court.

Sec. 88. Minnesota Statutes 1988, section 518C.27, subdivision 1, is amended to read:

Subdivision 1. [DUTIES OF RESPONDING COURT.] A responding court has the following duties that shall be carried out through the public authority responsible for support enforcement:

(1) according to the requirements of the initiating court, to collect and transmit to the initiating court, designated collection unit, county of the obligee's residence, or the obligee under section 518.551, subdivision 1, a payment made by the obligor pursuant to an order of the court or otherwise; and

(2) to furnish to the initiating court, upon request, a certified statement of each payment made by the obligor.

Sec. 89. Laws 1989, chapter 338, section 11, is amended to read:

Sec. 11. [OIL OVERCHARGE MONEY; APPROPRIATION.]

~~Subdivision 1. [LIMITATION.] The money appropriated by this section is money received by the state, or to be made available to the state in the future, as a result of litigation or settlements of alleged violations of federal petroleum pricing regulations that is not otherwise appropriated by law or dedicated by court order.~~

Subd. 2. [ENERGY RELATED PROJECTS.] $3,100,000 of ~~the money specified in subdivision 1~~ oil overcharge money, as defined in Minnesota Statutes, section 4.071, is appropriated for transfer to the housing development fund for home energy loans. Of that amount, $2,200,000 must be made available as soon as federal approval is received. The balance must be made available from money received later in the fiscal years ending June 30, 1990, and June 30, 1991.

Subd. 2a. [ENERGY CONSERVATION PROJECTS.] $6,000,000 of oil overcharge money, as defined in Minnesota Statutes, section 4.071, is appropriated to the commissioner of jobs and training for energy conservation projects that directly serve low-income Minnesotans. Of this amount, $4,500,000 must be made available as soon as federal approval is received. The balance must be made available from money received later in the fiscal years ending June 30, 1990, and June 30, 1991. If the amount received by June 30, 1991, is not sufficient to fully fund all appropriations of oil overcharge money to that date, this appropriation is reduced to the amount that can be fully funded with those receipts.

~~Subd. 3. [OTHER PROJECTS.] One-half of the remainder of the money specified in subdivision 1 must be appropriated to the commissioner of jobs and training for energy conservation projects that directly serve low-income Minnesotans. Money appropriated under subdivision 2 and under this subdivision is not governed by Minnesota Statutes, section 4.071, and is available until spent.~~

Sec. 90. [STUDIES AND PLANS RELATING TO CHEMICAL DEPENDENCY TREATMENT.]

Subdivision 1. [TREATMENT PROGRAM ACCOUNTABILITY.] The commissioner of human services shall develop standards to provide increased accountability for chemical dependency treatment programs. The commissioner shall work in conjunction with treatment providers and clinicians. The commissioner shall report the results of this work to the legislature by January 1, 1992.

Subd. 2. [AFTERCARE SERVICES STUDY.] The commissioner of human services shall study funding and licensing options for providing aftercare services to high-risk or special need populations

including, but not limited to, women, minorities, and adult and juvenile offenders. The commissioner shall present the results of this study and recommendations to the legislature by January 1, 1991.

Subd. 3. [INDIAN YOUTH TREATMENT PLANNING.] The commissioner of human services shall develop a plan for the establishment of one or more treatment programs specializing in chemically dependent Indian youth. The commissioner shall involve diverse members of the Indian community in conducting this assessment and shall present recommendations to the legislature by January 1, 1991.

Subd. 4. [AFRICAN AMERICAN YOUTH TREATMENT PLANNING.] The commissioner of human services shall develop a plan for a program in the Summit-University area of St. Paul to address the culturally based drug prevention, treatment, and aftercare needs of high-risk youth. The commissioner shall involve existing neighborhood and governmental agencies in developing the plan and shall present recommendations to the legislature by January 1, 1991.

Sec. 91. [PILOT PROJECT FOR SERVICES TO PREVENT CHILD ABUSE.]

Subdivision 1. [PILOT PROJECT AUTHORIZED.] The commissioner of human services is authorized to fund pilot projects designed to measure the effectiveness of early intervention and targeted family services in preventing child abuse. The projects must be designed to (1) offer a full range of innovative in-home and family treatment services to selected families, determined by the county agency to be at risk for child abuse; and (2) lower the incidence of maltreatment and improve the quality of attachment between mothers and children.

Subd. 2. [ELIGIBILITY.] Eligible families shall be those in which:

(1) family income is at or below 185 percent of the federal poverty guideline;

(2) the mother is 18 years of age or younger and has a high school diploma or less; and

(3) the family has had a history of child abuse.

Subd. 3. [DESIGN OF PROJECT.] Each project shall be designed to serve a minimum of 75 families with children from birth to age three and shall coordinate services with those offered by other public and nonprofit agencies.

Subd. 4. [MONITORING AND EVALUATION; REPORT.] The

county shall monitor and evaluate the program outcomes for the families participating in the program including changes in the developmental status of the children and shall report those outcomes to the commissioner. The commissioner shall report to the legislature before January 15, 1992, on the design and effectiveness of the programs and shall include recommendations for legislation as appropriate.

Sec. 92. [CHILD ABUSE; PLAN FOR STATEWIDE COMPUTER DATA SYSTEM.]

The commissioner of public safety, in consultation with the department of human services, shall determine the feasibility and costs of establishing a statewide computerized data system containing the following information on determinations made under Minnesota Statutes, section 626.556, and on the criminal and juvenile court matters specified in clauses (1) to (6):

(1) identifying information on any individual that a local social service agency has determined under Minnesota Statutes, section 626.556, subdivision 10e, to have been responsible for the maltreatment of a child or to have necessitated the provision of child protective services for a child, and the name and birth date of any child found to have been maltreated or to be in need of child protective services as a result of the individual's actions;

(2) identifying information on individuals arrested for, charged with, or convicted of malicious punishment of a child or neglect of a child;

(3) pretrial release conditions applicable to individuals charged with an offense listed in clause (2);

(4) probation and supervised release conditions applicable to individuals convicted of an offense listed in clause (2);

(5) identifying information on individuals whose parental rights to a child have been involuntarily terminated under Minnesota Statutes, section 260.221; and

(6) identifying information on individuals who have a child who was found to be in need of protective services as defined in Minnesota Statutes, section 260.015, subdivision 2a.

The commissioner shall also determine the feasibility and costs of requiring all local social service agencies, law enforcement agencies, prosecutors, courts, and court services personnel to report relevant information to the statewide data system; of making the information available to these agencies on request; and of providing a

process by which the accuracy of the data may be reviewed at the request of the subject of the data.

The commissioner shall report the results of the study and provide an implementation plan to the chairs of the judiciary committees in the house of representatives and the senate on or before February 1, 1991.

Sec. 93. [ALTERNATIVE DISPOSITIONS STUDY.]

The department of human services shall report and make recommendations regarding the use of permanency planning and alternative dispositions for children who are placed in out-of-home care, cannot be returned to their families, and for whom termination of parental rights is not in the child's best interest. The department shall consult with a multidisciplinary task force, including representatives of the Minnesota Indian Affairs Council, the Council on Black Minnesotans, the Spanish Speaking Affairs Council, the Council on Asian Pacific Minnesotans, public and private agencies, guardians ad litem, the judiciary, attorneys representing all parties in juvenile court proceedings, and community advocates. The department shall report and make recommendations to the legislature by January 7, 1991.

Sec. 94. [CHILD ABUSE PREVENTION GRANT.]

The commissioner of human services shall award a grant to a nonprofit, statewide child abuse prevention organization whose primary focus is parent self-help and support. Grant money may be used for one or more of the following activities:

(1) to provide technical assistance and consultation to individuals, organizations, or communities to establish local or regional parent self-help and support organizations for abusive or potentially abusive parents;

(2) to provide coordination and networking among existing parent self-help child abuse prevention organizations;

(3) to recruit, train, and provide leadership for volunteers working in child abuse prevention programs;

(4) to expand and develop child abuse programs throughout the state; or

(5) for statewide educational and public information efforts to increase awareness of the problems and solutions of child abuse.

Sec. 95. [SOBERING STATION PROGRAM ESTABLISHED.]

The commissioner of human services shall establish and provide grant funds for a pilot project sobering station program in order to deconcentrate detoxification facilities. In order to be eligible for grant funds, a sobering station program must be licensed to provide detoxification services and must be located in a nonresidential area and must be designed to serve the general public as well as the special needs of American Indian persons, as that term is defined in Minnesota Statutes, section 254A.02, subdivision 11, and veterans, as that term is defined in Minnesota Statutes, section 197.447. The program must provide on-site security designed to assure the health and safety of clients, staff, and neighborhood residents. The program must operate with the guidance of a neighborhood-based board. The board must include representatives of the following groups: the American Indian community, veterans of military service, residents of neighborhoods in which detoxification centers are presently located, residents of the nearby neighborhood in which the sobering station is sited, law enforcement, chemical dependency professionals, and elected officials representing the affected neighborhoods.

Sec. 96. [REPORT ON METHODS OF COORDINATING SOCIAL WORK AND MENTAL HEALTH BOARDS.]

(a) The commissioner of health shall convene an interagency task force consisting of health department staff and representatives from the commissioner of human services and the boards of social work, marriage and family therapy, unlicensed mental health service providers, medical examiners, nursing, and psychology to study the current system of monitoring and regulating both licensed and unlicensed individuals who practice mental health counseling, psychotherapy, psychiatry, psychiatric nursing, social work, professional counseling, chemical dependency counseling, and similar activities. The task force shall make recommendations for improving coordination, administrative efficiency, and effectiveness of the activities of the department of health and the boards that monitor and regulate these social work and mental health occupations and professions. The task force shall solicit and consider the comments and recommendations of affected individuals, associations, and government agencies. In developing its recommendations, the task force shall consider:

(1) methods of monitoring or regulating unlicensed practitioners and whether this activity should be administered by the health department, an independent administrative agency, a board, or another entity;

(2) a surcharge on license fees of all social work and mental health boards to finance the monitoring or regulation of unlicensed practitioners;

(3) methods of coordinating the various systems for accepting and investigating complaints;

(4) coordinated information systems to identify individuals who have been denied a license or have been subject to disciplinary action by another licensing board or agency; and

(5) other relevant issues identified by the task force.

(b) The commissioner of health shall report to the legislature by December 1, 1990, with the results of the study and the recommendations of the task force.

Sec. 97. [EXEMPTION.]

For the biennium ending June 30, 1991, the board of unlicensed mental health service providers is exempt from Minnesota Statutes, sections 16A.128, subdivision 1, and 214.06, subdivision 1.

Sec. 98. [ANNUAL ADJUSTMENTS.]

Until June 30, 1993, the commissioner of human services shall provide an annual adjustment of not more than four percent for payment rates for private duty nursing services, personal care services, home and community-based waivered services, and alternative care grant services for persons classified as 180-day eligible.

Sec. 99. [STUDY OF AMBULANCE SUBSCRIPTION PLANS.]

The commissioner of commerce and the commissioner of health shall study prepaid ambulance service plans that allow a person to prepay for ambulance services on a yearly basis. The commissioners shall study plans offered in other states and shall study the cost-effectiveness and feasibility of offering these plans in Minnesota. The commissioners shall study methods of funding the plans. The commissioners shall also address the issue of whether these plans should be regulated as insurance, health maintenance organizations, or as another type of entity. The commissioners shall conduct the study in conjunction with the attorney general. The commissioners shall report the findings of the study to the legislature by January 1, 1992.

Sec. 100. [COMPREHENSIVE REVIEW OF THE STATE EMERGENCY MEDICAL SERVICE SYSTEM.]

The commissioner of health shall conduct a comprehensive assessment of all aspects of the emergency medical service system in Minnesota. This assessment must include an inventory of current service capabilities by emergency medical service regions and an examination of the effectiveness of the present administrative structure for emergency medical services, actual or potential gaps in services or coverage, funding needs, problems in service coordination and administration, and the capabilities and availability of

hospital emergency services. The assessment must also include a study of the role of air ambulances and their coordination with and impact on local ambulance services. The commissioner shall present this assessment and provide recommendations to the legislature by January 1, 1992.

Sec. 101. [REPORT ON STATE EMPLOYEE PARTICIPATION IN EMERGENCY MEDICAL SERVICE SYSTEM.]

The commissioner of employee relations, in consultation with the commissioner of health, shall examine methods to reduce barriers to state employee participation as emergency medical service volunteers, such as limitations on the number of hours state employees can serve as volunteers during regular work hours. The commissioner shall present recommendations to the legislature by January 1, 1992.

Sec. 102. [STUDY OF BASIC AND ADVANCED LIFE SUPPORT REIMBURSEMENT.]

The commissioner of human services, in consultation with the commissioner of health, shall study the mechanisms of reimbursement for advanced and basic life support ambulance calls under medical assistance and general assistance medical care. The study shall examine methods of simplifying the claims process, interpretation of the "medically necessary" criteria and prior approval in light of the statutory mandate that service may not be denied, as well as other issues that create impediments to reimbursement. The commissioner shall report findings and offer recommendations to the legislature by January 1, 1991, on means of maximizing potential reimbursement levels.

Sec. 103. [STUDY OF RECRUITMENT AND RETENTION INDUCEMENTS.]

The commissioner of health, in consultation with the executive director of the public employees retirement association, shall study the need for recruitment and retention inducements for professional ambulance personnel in all areas of the state. The study must:

(1) examine both the feasibility of and the need for pensions, lump-sum retirement benefits, and other recruitment and retention inducements;

(2) estimate potential utilization of pension and retirement plans and other inducements; and

(3) provide recommendations for eligibility standards, plan funding and benefits, and plan administration for a pension plan or retirement benefit for professional ambulance personnel. The com-

missioner of health shall present study findings and recommendations to the legislature by January 1, 1991.

Sec. 104. [MEDICAL ASSISTANCE RATES FOR AMBULANCE SERVICES.]

Effective with services rendered after June 30, 1990, payments to ambulance services for medical assistance recipients shall be increased by 7.5 percent from the lower of: (1) the submitted charges; or (2) the 50th percentile of prevailing charges in 1982.

Sec. 105. [MEDICAL SCHOOL GRADUATES.]

The commissioner of health shall encourage efforts by the University of Minnesota medical school, the Mayo medical school, and the University of Minnesota-Duluth medical school to develop and implement plans to increase the number of medical school graduates practicing in nonmetropolitan areas. The commissioner shall meet regularly with the administrators of the three medical schools to obtain information on progress toward this goal.

Sec. 106. [STUDY OF MEDICAL ASSISTANCE REIMBURSEMENT FOR RURAL PHYSICIANS.]

The commissioner of human services shall examine methods to increase medical assistance reimbursement to medical doctors and doctors of osteopathy. The commissioner may consider selective reimbursement increases for the following primary care services as defined by the commissioner by the appropriate current procedure terminology (CPT); preventive care, office visits, maternity and delivery services, and pediatric immunization, and may consider other changes in medical assistance reimbursement designed to target reimbursement increases to medical doctors and doctors of osteopathy providing primary care services. The commissioner shall present recommendations to the legislature by January 15, 1991.

Sec. 107. [RURAL HEALTH PROFESSIONALS AND HOSPITAL STUDY.]

The commissioner of health shall conduct an examination of: (1) the critical shortage of primary care health professionals, such as physicians and nurses, experienced by rural areas; and (2) the need for hospitals and specific hospital services in different areas of the state. The study may consider, at a minimum, the following:

(1) distribution of health care professionals, especially primary care physicians;

(2) geographic distribution of educational programs;

(3) geographic distribution of hospitals and specific hospital services;

(4) recruitment and retention programs;

(5) regulatory barriers;

(6) impediments caused by additional professional requirements;

(7) appropriate education and training programs directed to rural health care;

(8) competition from other health care providers, especially those located in urban settings providing similar services; and

(9) the shortage or oversupply of hospitals and specific hospital services in different areas of the state.

In conducting the study, the commissioner shall consult with rural health care providers, hospitals, and higher education institutions. The commissioner shall require state health care professional licensing boards to submit data upon request to the department by July 1 for each preceding calendar year. The commissioner must report the findings and present recommendations to relieve current and projected health care professional shortages, and address the shortage or oversupply of hospitals and specific hospital services in different areas of the state, to the legislature by February 1, 1991.

Sec. 108. [TRANSFER OF FUNDS.]

All money raised under section 109, through the license renewal surcharges for registered nurses and licensed practical nurses shall be transferred each year from the board of nursing to the higher education coordinating board for the purposes of the nursing grant programs for licensed practical nurses and registered nurses, provided in House File 2269, the first engrossment, article 3, sections 4 and 5, and shall be available until expended.

Sec. 109. [FUNDING FOR NURSING GRANTS.]

Subdivision 1. [REGISTERED NURSE FUNDING.] (a) The nursing grant program shall be funded by a $5.50 fee on each registration renewal of registered nurses as provided under Minnesota Statutes, section 148.231, unless the applicant specifically indicates on the renewal form that the applicant does not wish to participate in the funding of this program. The board of nursing shall transfer all money received under this subdivision, less an amount sufficient to pay the costs of administering the program not to exceed 12 percent of the fee collected under this subdivision, to the higher

education coordinating board on a quarterly basis. This money is available until expended by the higher education coordinating board. By January 1, 1991, and each subsequent year, the board of nursing shall provide an estimate to the higher education coordinating board of the amount of money that may be available each year based on the number of anticipated registration renewals in that year.

(b) Notwithstanding paragraph (a), up to the first $11,000 of fees collected under this subdivision may be used to program the board of nursing's computer system for purposes of administering this section.

Subd. 2. [LICENSED PRACTICAL NURSE FUNDING.] (a) The nursing grant program shall be funded by a $5.50 fee on each registration renewal of licensed practical nurses as provided under Minnesota Statutes, section 148.231, unless the applicant specifically indicates on the renewal form that the applicant does not wish to participate in the funding of this program. The board of nursing shall transfer all money received under this subdivision, less an amount sufficient to pay the costs of administering the program not to exceed 12 percent of the fee collected under this subdivision, to the higher education coordinating board on a quarterly basis. This money is available until expended by the higher education coordinating board. By January 1, 1991, and each subsequent year, the board of nursing shall provide an estimate to the higher education coordinating board of the amount of money that may be available each year based on the number of anticipated registration renewals in that year.

(b) Notwithstanding paragraph (a), up to the first $6,000 of fees collected under this subdivision may be used to program the board of nursing's computer system for purposes of administering this section.

Sec. 110. [REPEALER.]

Subdivision 1. [OIL OVERCHARGE MONEY.] Laws 1989, chapter 338, section 11, subdivisions 1 and 3, are repealed.

Subd. 2. [SOCIAL WORK AND MENTAL HEALTH BOARDS.] Minnesota Statutes 1988, sections 148B.01, subdivision 2; and 148B.02, are repealed.

Subd. 3. [INVENTORY, REFERRAL, AND INTAKE SERVICES.] Minnesota Statutes 1988, section 268.86, subdivision 10, is repealed.

Sec. 111. [EFFECTIVE DATES.]

Subdivision 1. [CHILD SUPPORT ENFORCEMENT.] Sections 48 and 74 are effective the day following final enactment. Section 49 is effective July 1, 1990 and applies to coverage identified or enforced on or after that date.

Subd. 2. [CHEMICAL DEPENDENCY.] Sections 43 to 47; and 90 are effective the day following final enactment.

Subd. 3. [WHOLESALE DRUG DISTRIBUTORS; LICENSING.] Sections 20 to 31 are effective on January 1, 1991.

Subd. 4. [OIL OVERCHARGE MONEY; ENERGY CONSERVATION.] Sections 1, subdivision 1; 89; and 110, subdivision 1, are effective the day following final enactment. Section 1, subdivisions 2 and 3, are effective July 1, 1991.

Subd. 5. [WELFARE FRAUD.] Sections 50 and 51 are effective July 1, 1990, and apply to assistance obtained wrongfully on or after that date.

Subd. 6. [JOBS AND TRAINING; PLANT CLOSINGS; PAYMENTS.] Sections 60 to 68 are effective the day following final enactment.

ARTICLE 3

HEALTH CARE

Section 1. Minnesota Statutes 1988, section 13.46, subdivision 5, is amended to read:

Subd. 5. [MEDICAL DATA; CONTRACTS.] Data relating to the medical, psychiatric, or mental health of any individual, including diagnosis, progress charts, treatment received, case histories, and opinions of health care providers, that is collected, maintained, used, or disseminated by any agency to the welfare system is private data on individuals and will be available to the data subject, unless the private health care provider has clearly requested in writing that the data be withheld pursuant to section 144.335. Data on individuals that is collected, maintained, used, or disseminated by a private health care provider under contract to any agency of the welfare system is private data on individuals, and is subject to the provisions of sections 13.02 to 13.07 and this section, except that the provisions of section 13.04, subdivision 3, shall not apply. Access to medical data referred to in this subdivision by the individual who is the subject of the data is subject to the provisions of section 144.335. Access to information that is maintained by the public authority responsible for support enforcement and that is needed to enforce medical support is subject to the provisions of section 518.171.

Sec. 2. [PURPOSE.]

It is the policy of the state to provide adequate health care and nutrition, and access to that care and nutrition, for all pregnant women, mothers, and children in this state. The legislature fully recognizes its commitment to the health of our families and acknowledges that an investment early in life will ensure healthier adults. The goal of the legislature is to achieve full and simple access to comprehensive health care and nutrition for all pregnant women and children under age six who are in need.

Sec. 3. [62A.62] [DEMONSTRATION PROJECT.]

Subdivision 1. [ESTABLISHMENT.] The commissioner shall establish demonstration projects to allow health insurers regulated under this chapter and nonprofit health service plan corporations regulated under chapter 62C to extend coverage for health and services to individuals or groups currently unable to afford such coverage. For purposes of this section, the commissioner may waive compliance with minimum benefits required under chapter 62A, and any applicable rules if there is reasonable evidence that the rules prohibit the operation of the demonstration project. The commissioner shall provide for public comment before any statute or rule is waived.

Subd. 2. [APPLICATION AND APPROVAL.] An insurer or health service plan corporation electing to participate in a demonstration project shall apply to the commissioner for approval on a form developed by the commissioner. The application shall include at least the following:

(1) a statement identifying the population that the project is designed to serve;

(2) a description of the proposed project including a statement projecting a schedule of costs and benefits for the enrollee;

(3) reference to the sections of Minnesota Statutes and department of commerce rules for which waiver is requested;

(4) evidence that application of the requirements of applicable Minnesota Statutes and department of commerce rules would, unless waived, prohibit the operation of the demonstration project;

(5) an estimate of the number of years needed to adequately demonstrate the project's effects; and

(6) other information the commissioner may reasonably require.

Subd. 3. [COMMISSIONER'S REVIEW OF APPLICATION FOR

DEMONSTRATION PROJECT.] The commissioner shall approve, deny, or refer back to the insurer or health service plan corporation for modification, the application for a demonstration project within 60 days of receipt from the insurer or health service plan corporation.

Subd. 4. [LENGTH OF PROJECT.] The commissioner may approve an application for a demonstration project for a maximum of six years, with an option to renew.

Subd. 5. [REPORT REQUIRED.] Each insurer or health service plan corporation for which a demonstration project is approved shall annually file a report with the commissioner summarizing the project's experience at the same time it files its annual report. The report shall be on a form developed by the commissioner and shall be separate from the annual report.

Subd. 6. [APPROVAL MAY BE RESCINDED.] The commissioner may rescind approval of a demonstration project if the commissioner finds that the project's operation is contrary to the information contained in the approved application.

Sec. 4. Minnesota Statutes 1989 Supplement, section 144.50, subdivision 6, is amended to read:

Subd. 6. [SUPERVISED LIVING FACILITY LICENSES.] (a) The commissioner may license as a supervised living facility a facility seeking medical assistance certification as an intermediate care facility for persons with mental retardation or related conditions for four or more persons as authorized under section 252.291.

(b) Class B supervised living facilities ~~for six or less persons~~ seeking medical assistance certification as an intermediate care facility for persons with mental retardation or related conditions shall be classified as follows for purposes of the state building code:

(1) Class B supervised living facilities for six or less persons shall meet Group R, Division 3 occupancy requirements.

(2) Class B supervised living facilities for seven to 16 persons shall meet Group R, Division 1 occupancy requirements.

Class B facilities classified under this paragraph, clauses (1) and (2) shall meet ~~Group R, Division 3, occupancy requirements of the state building code,~~ the fire protection provisions of chapter 21 of the 1985 life safety code, NFPA 101, for facilities housing persons with impractical evacuation capabilities, ~~and~~ except that Class B facilities licensed prior to the effective date of this enactment may continue to meet institutional fire safety provisions. Class B supervised living facilities shall provide the necessary physical plant

accommodations to meet the needs and functional disabilities of the residents. For Class B supervised living facilities licensed after the effective date of this enactment housing nonambulatory or nonmobile persons, the corridor access to bedrooms, common spaces, and other resident use spaces shall be at least five feet in clear width, except that a waiver may be requested in accordance with Minnesota Rules, part 4665.0600.

Sec. 5. Minnesota Statutes 1988, section 144A.073, is amended by adding a subdivision to read:

Subd. 3a. [EXTENSION OF APPROVAL OF A PROJECT REQUIRING AN EXCEPTION TO THE NURSING HOME MORATORIUM.] Notwithstanding subdivision 3, a construction project that was approved by the commissioner under the moratorium exception approval process in this section prior to February 1, 1990, may be commenced more than 12 months after the date of the commissioner's approval but no later than July 1, 1992.

Sec. 6. Minnesota Statutes 1989 Supplement, section 145.894, is amended to read:

145.894 [STATE COMMISSIONER OF HEALTH; DUTIES, RESPONSIBILITIES.]

The commissioner of health shall:

(a) Develop a comprehensive state plan for the delivery of nutritional supplements to pregnant and lactating women, infants, and children;

(b) Contract with existing local public or private nonprofit organizations for the administration of the nutritional supplement program;

(c) Develop and implement a public education program promoting the provisions of sections 145.891 to 145.897, and provide for the delivery of individual and family nutrition education and counseling at project sites. The education programs must include a campaign to promote breast feeding;

(d) Develop in cooperation with other agencies and vendors a uniform state voucher system for the delivery of nutritional supplements;

(e) Authorize local health agencies to issue vouchers bimonthly to some or all eligible individuals served by the agency, provided the agency demonstrates that the federal minimum requirements for providing nutrition education will continue to be met and that the

quality of nutrition education and health services provided by the agency will not be adversely impacted;

(f) Investigate and implement ~~an infant formula cost reduction~~ a system ~~that will~~ to reduce the cost of nutritional supplements ~~so that by October 1, 1988, additional mothers and children will be served~~ and maintain ongoing negotiations with nonparticipating manufacturers and suppliers to maximize cost savings;

(g) Develop, analyze, and evaluate the health aspects of the nutritional supplement program and establish nutritional guidelines for the program;

(h) Apply for, administer, and annually expend at least 99 percent of available federal or private funds;

(i) Aggressively market services to eligible individuals by conducting ongoing outreach activities and by coordinating with and providing marketing materials and technical assistance to local human services and community service agencies and nonprofit service providers;

(j) Determine, on July 1 of each year, the number of pregnant women participating in each special supplemental food program for women, infants, and children (W.I.C.) and, in 1986, 1987, and 1988, at the commissioner's discretion, designate a different food program deliverer if the current deliverer fails to increase the participation of pregnant women in the program by at least ten percent over the previous year's participation rate;

(k) Promulgate all rules necessary to carry out the provisions of sections 145.891 to 145.897;

(l) Report to the legislature by November 15 of every year on the expenditures and activities under sections 145.891 to 145.897 of the state and local health agencies for the preceding fiscal year; and

(m) Ensure that any state appropriation to supplement the federal program is spent consistent with federal requirements.

Sec. 7. Minnesota Statutes 1988, section 214.07, subdivision 1, is amended to read:

Subdivision 1. [BOARD REPORTS.] The health-related licensing boards and the non-health-related licensing boards shall prepare reports according to this subdivision and subdivision 1a by October 1 of each even-numbered year. Copies of the reports shall be delivered to the legislature in accordance with section 3.195, and to the governor. Copies of the reports of the health-related licensing boards shall also be delivered to the commissioner of health. The

reports shall contain the following information relating to the two-year period ending the previous June 30:

(a) a general statement of board activities;

(b) the number of meetings and approximate total number of hours spent by all board members in meetings and on other board activities;

(c) the receipts and disbursements of board funds;

(d) the names of board members and their addresses, occupations, and dates of appointment and reappointment to the board;

(e) the names and job classifications of board employees;

(f) a brief summary of board rules proposed or adopted during the reporting period with appropriate citations to the State Register and published rules;

(g) the number of persons having each type of license and registration issued by the board as of June 30 in the year of the report;

(h) the locations and dates of the administration of examinations by the board;

(i) the number of persons examined by the board with the persons subdivided into groups showing age categories, sex, and states of residency;

(j) the number of persons licensed or registered by the board after taking the examinations referred to in clause (h) with the persons subdivided by age categories, sex, and states of residency;

(k) the number of persons not licensed or registered by the board after taking the examinations referred to in clause (h) with the persons subdivided by age categories, sex, and states of residency;

(l) the number of persons not taking the examinations referred to in clause (h) who were licensed or registered by the board or who were denied licensing or registration with the reasons for the licensing or registration or denial thereof and with the persons subdivided by age categories, sex, and states of residency;

(m) the number of persons previously licensed or registered by the board whose licenses or registrations were revoked, suspended, or otherwise altered in status with brief statements of the reasons for the revocation, suspension or alteration;

(n) the number of written and oral complaints and other communications received by the executive secretary of the board, a board member, or any other person performing services for the board (1) which allege or imply a violation of a statute or rule which the board is empowered to enforce and (2) which are forwarded to other agencies as required by section 214.10;

(o) a summary, by specific category, of the substance of the complaints and communications referred to in clause (n) and, for each specific category, the responses or dispositions thereof pursuant to section 214.10 or 214.11;

(p) any other objective information which the board members believe will be useful in reviewing board activities.

Sec. 8. Minnesota Statutes 1988, section 214.07, is amended by adding a subdivision to read:

Subd. 1a. [REPORT REQUIREMENT FOR BOARD OF MEDICAL EXAMINERS AND BOARD OF NURSING.] The board of medical examiners and the board of nursing shall include in the report required under subdivision 1, clause (o), specific information regarding complaints and communications involving obstetrics, gynecology, prenatal care, and delivery, and the boards' responses or dispositions.

Sec. 9. Minnesota Statutes 1989 Supplement, section 256.936, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section the following terms shall have the meanings given them:

(a) "Eligible persons" means pregnant women and children ~~who are one year of age or older but less than 18 years of age who have gross family incomes that are equal to or less than 185 percent of the federal poverty guidelines and~~ who are not eligible for medical assistance under chapter 256B or general assistance medical care under chapter 256D and who are not otherwise insured for the covered services. The period of eligibility for children extends from ~~the first day of the month in which the child's first birthday occurs~~ birth to the last day of the month in which the child becomes 18 years old. For purposes of this subdivision, a woman is considered pregnant for 60 days postpartum.

(b) "Covered services" means children's health services.

(c) "Children's health services" means the health services reimbursed under chapter 256B, with the exception of inpatient hospital services, special education services, private duty nursing services, orthodontic services, medical transportation services, personal care

assistant and case management services, hospice care services, nursing home or intermediate care facilities services, and chemical dependency services.

(d) "Eligible providers" means those health care providers who provide children's health services to medical assistance recipients under rules established by the commissioner for that program. Reimbursement under this section shall be at the same rates and conditions established for medical assistance.

(e) "Commissioner" means the commissioner of human services.

(f) "Gross family income" for farm and nonfarm self-employed means income calculated using as the baseline the adjusted gross income reported on the applicant's federal income tax form for the previous year and adding back in reported depreciation, carryover loss, and net operating loss amounts that apply to the business in which the family is currently engaged. Applicants shall report the most recent financial situation of the family if it has changed from the period of time covered by the federal income tax form. The report may be in the form of percentage increase or decrease.

Sec. 10. Minnesota Statutes 1989 Supplement, section 256.936, subdivision 4, is amended to read:

Subd. 4. [ENROLLMENT FEE.] An annual enrollment fee of $25, not to exceed $150 per family, is required from eligible persons, who have gross family incomes that are equal to or less than 185 percent of the federal poverty guidelines, for children's health services. An annual enrollment fee of $50, not to exceed $300 per family, is required from eligible persons, who have gross family incomes that exceed 185 percent of the federal poverty guidelines, for children's health services. Enrollment fees are dedicated to the commissioner for the children's health plan program. The commissioner shall make an annual redetermination of continued eligibility and identify people who may become eligible for medical assistance.

Sec. 11. [256.9365] [PURCHASE OF CONTINUATION COVERAGE FOR AIDS PATIENTS.]

Subdivision 1. [PROGRAM ESTABLISHED.] The commissioner of human services shall establish a program to pay private health plan premiums for persons who have contracted human immunodeficiency virus (HIV) to enable them to continue coverage under a group or individual health plan. If a person is determined to be eligible under subdivision 2, the commissioner shall pay the eligible person's group plan continuation coverage premium for 18 months after termination of employment, or pay the eligible person's individual plan premium for 24 months after initial application.

Subd. 2. [ELIGIBILITY REQUIREMENTS.] To be eligible for the program, an applicant must satisfy the following requirements:

(1) the applicant must provide a physician's statement verifying that the applicant is infected with HIV and is, or within three months is likely to become, too ill to work in the applicant's current employment because of HIV-related disease;

(2) the applicant's monthly gross family income must not exceed 300 percent of the federal poverty guidelines, after deducting medical expenses and insurance premiums;

(3) the applicant must not own assets with a combined value of more than $25,000;

(4) if applying for payment of group plan premiums, the applicant must be covered by an employer's or former employer's group insurance plan and be eligible to purchase continuation coverage; and

(5) if applying for payment of individual plan premiums, the applicant must be covered by an individual health plan whose coverage and premium costs satisfy additional requirements established by the commissioner in rule.

Subd. 3. [RULES.] The commissioner shall establish rules as necessary to implement the program. Special requirements for the payment of individual plan premiums under subdivision 2, clause (5), must be designed to ensure that the state cost of paying an individual plan premium over a two-year period does not exceed the estimated state cost that would otherwise be incurred in the medical assistance program.

Sec. 12. Minnesota Statutes 1989 Supplement, section 256.969, subdivision 2c, is amended to read:

Subd. 2c. [PROPERTY PAYMENT RATES.] For each hospital's first two consecutive fiscal years beginning on or after July 1, 1988, the commissioner shall limit the annual increase in property payment rates for depreciation, rents and leases, and interest expense to the annual growth in the hospital cost index derived from the methodology in effect on the day before July 1, 1989. When computing budgeted and settlement property payment rates, the commissioner shall use the annual increase in the hospital cost index forecasted by Data Resources, Inc., consistent with the quarter of the hospital's fiscal year end. For admissions occurring on or after the rate year beginning January 1, 1991, the commissioner shall obtain property data from an updated base year and establish property payment rates per admission for each hospital. Property payment rates shall be derived from data from the same base year that is used

to establish operating payment rates. The property information shall include cost categories not subject to the hospital cost index and shall reflect the cost-finding methods and allowable costs of the Medicare program in effect during the base year. The property payment rate per admission shall be adjusted for positive percentage change differences in the net book value of hospital property and equipment by increasing the property payment rate per admission 85 percent of the percentage change from the base year through the most recent year ending prior to the rate year for which required information is available. The percentage change shall be derived from equivalent audited information in both years and shall be adjusted to account for changes in generally accepted accounting principles, reclassification of assets, allocations to nonhospital areas, and fiscal years. The cost, audit, and charge data used to establish property rates shall only reflect inpatient services covered by medical assistance and shall not include operating cost information. To be eligible for the property payment rate per admission adjustment, the hospital must provide the necessary information to the commissioner, in a format specified by the commissioner, by the October 1 preceding the rate year. The commissioner shall adjust rates for the rate year beginning January 1, 1991, to ensure that all hospitals are subject to the hospital cost index limitation for two complete years.

Sec. 13. Minnesota Statutes 1989 Supplement, section 256.969, subdivision 6a, is amended to read:

Subd. 6a. [SPECIAL CONSIDERATIONS.] (a) In determining the payment rates, the commissioner shall consider whether the following circumstances exist:

(1) [MINIMAL MEDICAL ASSISTANCE USE.] Minnesota hospitals with 30 or fewer annualized admissions of Minnesota medical assistance recipients in the base year, excluding Medicare crossover admissions, may have the base year operating rates, as adjusted by the case mix index, and property payment rates established at the 70th percentile of hospitals in the peer group in effect during the base year as established by the Minnesota department of health for use by the rate review program. Rates within a peer group shall be adjusted for differences in fiscal years and outlier percentage payments before establishing the 70th percentile. The operating payment rate portion of the 70th percentile shall be adjusted by the hospital cost index. To have rates established under this paragraph, the hospital must notify the commissioner in writing by November 1 of the year preceding the rate year. This paragraph shall be applied to all payment rates of the affected hospital.

(2) [UNUSUAL COST OR LENGTH OF STAY EXPERIENCE.] The commissioner shall establish day and cost outlier thresholds for each diagnostic category established under subdivision 2 at two standard deviations beyond the geometric mean length of stay or

allowable cost. Payment for the days and cost beyond the outlier threshold shall be in addition to the operating and property payment rates per admission established under subdivisions 2, 2b, and 2c. Payment for outliers shall be at 70 percent of the allowable operating cost calculated by dividing the operating payment rate per admission, after adjustment by the case mix index, hospital cost index, relative values and the disproportionate population adjustment, by the arithmetic mean length of stay for the diagnostic category. The outlier threshold for neonatal and burn diagnostic categories shall be established at one standard deviation beyond the geometric mean length of stay or allowable cost, and payment shall be at 90 percent of allowable operating cost calculated in the same manner as other outliers. A hospital may choose an alternative percentage outlier payment to a minimum of 60 percent and a maximum of 80 percent if the commissioner is notified in writing of the request by October 1 of the year preceding the rate year. The chosen percentage applies to all diagnostic categories except burns and neonates. The percentage of allowable cost that is unrecognized by the outlier payment shall be added back to the base year operating payment rate per admission. Cost outliers shall be calculated using hospital specific allowable cost data. If a stay is both a day and a cost outlier, outlier payments shall be based on the higher outlier payment.

(3) [DISPROPORTIONATE NUMBERS OF LOW-INCOME PATIENTS SERVED.] For admissions occurring on or after July 1, 1989, the medical assistance disproportionate population adjustment shall comply with federal law at fully implemented rates. The commissioner may establish a separate disproportionate population operating payment rate adjustment under the general assistance medical care program. For admissions occurring on or after the rate year beginning January 1, 1991, the disproportionate population adjustment shall be derived from base year Medicare cost report data and may be adjusted by data reflecting actual claims paid by the department.

(4) [SEPARATE BILLING BY CERTIFIED REGISTERED NURSE ANESTHETISTS.] Hospitals may exclude certified registered nurse anesthetist costs from the operating payment rate as allowed by section 256B.0625, subdivision 11. To be eligible, a hospital must notify the commissioner in writing by October 1 of the year preceding the rate year of the request to exclude certified registered nurse anesthetist costs. The hospital must agree that all hospital claims for the cost and charges of certified registered nurse anesthetist services will not be included as part of the rates for inpatient services provided during the rate year. In this case, the operating payment rate shall be adjusted to exclude the cost of certified registered nurse anesthetist services. Payments made through separate claims for certified registered nurse anesthetist services shall not be paid directly through the hospital provider

number or indirectly by the certified registered nurse anesthetist to the hospital or related organizations.

(5) [SPECIAL RATES.] The commissioner may establish special rate-setting methodologies, including a per day operating and property payment system, for hospice, ventilator dependent, and other services on a hospital and recipient specific basis taking into consideration such variables as federal designation, program size, and admission from a medical assistance waiver or home care program. The data and rate calculation method shall conform to the requirements of paragraph (7), except that hospice rates shall not exceed the amount allowed under federal law and payment shall be secondary to any other medical assistance hospice program. Rates and payments established under this paragraph must meet the requirements of section 256.9685, subdivisions 1 and 2, and must not exceed payments that would otherwise be made to a hospital in total for rate year admissions under subdivisions 2, 2b, 2c, 3, 4, 5, and 6. The cost and charges used to establish rates shall only reflect inpatient medical assistance covered services. Hospital and claims data that are used to establish rates under this paragraph shall not be used to establish payments or relative values under subdivisions 2, 2b, 2c, 3, 4, 5, and 6.

(6) [REHABILITATION DISTINCT PARTS.] Units of hospitals that are recognized as rehabilitation distinct parts by the Medicare program shall have separate provider numbers under the medical assistance program for rate establishment and billing purposes only. These units shall also have operating and property payment rates and the disproportionate population adjustment established separately from other inpatient hospital services, based on the methods of subdivisions 2, 2b, 2c, 3, 4, 5, and 6. The commissioner may establish separate relative values under subdivision 2 for rehabilitation hospitals and distinct parts as defined by the Medicare program. For individual hospitals that did not have separate medical assistance rehabilitation provider numbers or rehabilitation distinct parts in the base year, hospitals shall provide the information needed to separate rehabilitation distinct part cost and claims data from other inpatient service data.

(7) [NEONATAL TRANSFERS.] For admissions occurring on or after July 1, 1989, neonatal diagnostic category transfers shall have operating and property payment rates established at receiving hospitals which have neonatal intensive care units on a per day payment system that is based on the cost finding methods and allowable costs of the Medicare program during the base year. Other neonatal diagnostic category transfers shall have rates established according to paragraph (8). The rate per day for the neonatal service setting within the hospital shall be determined by dividing base year neonatal allowable costs by neonatal patient days. The operating payment rate portion of the rate shall be adjusted by the hospital cost index and the disproportionate population adjustment. The cost

and charges used to establish rates shall only reflect inpatient services covered by medical assistance. Hospital and claims data used to establish rates under this paragraph shall not be used to establish payments or relative values under subdivisions 2, 2b, 2c, 3, 4, 5, and 6.

(8) [TRANSFERS.] Except as provided in paragraphs (5) and (7), operating and property payment rates for admissions that result in transfers and transfers shall be established on a per day payment system. The per day payment rate shall be the sum of the adjusted operating and property payment rates determined in subdivisions 2b and 2c, divided by the arithmetic mean length of stay for the diagnostic category. Each admission that results in a transfer and each transfer is considered a separate admission to each hospital, and the total of the admission and transfer payments to each hospital must not exceed the total per admission payment that would otherwise be made to each hospital under paragraph (2) and subdivisions 2b and 2c.

(b) The computation of each hospital's payment rate and the relative values of the diagnostic categories are not subject to the routine service cost limitation imposed under the Medicare program.

(c) Indian health service facilities are exempt from the rate establishment methods required by this section and shall be reimbursed at the facility's usual and customary charges to the general public. This exemption is not effective for payments under general assistance medical care.

(d) Except as provided in paragraph (a), clauses (1) and (3), out-of-state hospitals that are located within a Minnesota local trade area shall have rates established using the same procedures and methods that apply to Minnesota hospitals. Hospitals that are not required by law to file information in a format necessary to establish rates shall have rates established based on the commissioner's estimates of the information. Relative values of the diagnostic categories shall not be redetermined under this paragraph until required by rule. Hospitals affected by this paragraph shall then be included in determining relative values. However, hospitals that have rates established based upon the commissioner's estimates of information shall not be included in determining relative values. This paragraph is effective for hospital fiscal years beginning on or after July 1, 1988. A hospital shall provide the information necessary to establish rates under this paragraph at least 90 days before the start of the hospital's fiscal year.

(e) Hospitals that are not located within Minnesota or a Minnesota local trade area shall have operating and property rates established at the average of statewide and local trade area rates or, at the commissioner's discretion, at an amount negotiated by the

commissioner. Relative values shall not include data from hospitals that have rates established under this paragraph. Payments, including third party liability, established under this paragraph may not exceed the charges on a claim specific basis for inpatient services that are covered by medical assistance.

(f) Medical assistance inpatient payment rates must include the cost incurred by hospitals to pay the department of health for metabolic disorder testing of newborns who are medical assistance recipients, if the cost is not recognized by another payment source.

(g) Medical assistance inpatient payments shall increase 20 percent for inpatient hospital originally paid admissions, excluding Medicare crossovers, that occurred between July 1, 1988, and December 31, 1990, if: (i) the hospital had 100 or fewer Minnesota medical assistance annualized paid admissions, excluding Medicare crossovers, that were paid by March 1, 1988, for the period January 1, 1987, to June 30, 1987; (ii) the hospital had 100 or fewer licensed beds on March 1, 1988; (iii) the hospital is located in Minnesota; and (iv) the hospital is not located in a city of the first class as defined in section 410.01. For this paragraph, medical assistance does not include general assistance medical care.

(h) Medical assistance inpatient payments shall increase 15 percent for inpatient hospital originally paid admissions, excluding Medicare crossovers, that occurred between July 1, 1988, and December 31, 1990, if: (i) the hospital had more than 100 but fewer than 250 Minnesota medical assistance annualized paid admissions, excluding Medicare crossovers, that were paid by March 1, 1988, for the period January 1, 1987, to June 30, 1987; (ii) the hospital had 100 or fewer licensed beds on March 1, 1988; (iii) the hospital is located in Minnesota; and (iv) the hospital is not located in a city of the first class as defined in section 410.01. For this paragraph, medical assistance does not include general assistance medical care.

(i) Admissions occurring on or after July 1, 1990, that are classified to a diagnostic category of mental health or chemical dependency shall have rates established according to the methods of paragraph (a), clause (8), when a hold or commitment is ordered by the court for the days that inpatient hospital services are medically necessary. Stays which are medically necessary for inpatient hospital services and covered by medical assistance shall not be billable to any other governmental entity. Medical necessity shall be determined under criteria established to meet the requirements of section 256B.04, subdivision 15, or 256D.03, subdivision 7, paragraph (b).

Sec. 14. Minnesota Statutes 1989 Supplement, section 256.9695, subdivision 1, is amended to read:

Subdivision 1. [APPEALS.] A hospital may appeal a decision arising from the application of standards or methods under section

256.9685, 256.9686, or 256.969, if an appeal would result in a change to the hospital's payment rate or payments. Both overpayments and underpayments that result from the submission of appeals shall be implemented. Regardless of any appeal outcome, relative values shall not be recalculated. The appeal shall be heard by an administrative law judge according to sections 14.48 to 14.56, or upon agreement by both parties, according to a modified appeals procedure established by the commissioner and the office of administrative hearings. In any proceeding under this section, the appealing party must demonstrate by a preponderance of the evidence that the commissioner's determination is incorrect or not according to law.

(a) To appeal a payment rate or payment determination or a determination made from base year information, the hospital shall file a written appeal request to the commissioner within 60 days of the date the payment rate determination was mailed. The appeal request shall specify: (i) the disputed items; (ii) the authority in federal or state statute or rule upon which the hospital relies for each disputed item; and (iii) the name and address of the person to contact regarding the appeal. A change to a payment rate or payments that results from a successful appeal to the Medicare program of the base year information establishing rates for the rate year beginning in 1991 and after is a prospective adjustment to subsequent rate years. After December 31, 1990, payment rates shall not be adjusted for appeals of base year information that affect years prior to the rate year beginning January 1, 1991. Facts to be considered in any appeal of base year information are limited to those in existence at the time the payment rates of the first rate year were established from the base year information. In the case of Medicare settled appeals, the 60-day appeal period shall begin on the mailing date of the notice by the Medicare program or the date the medical assistance payment rate determination notice is mailed, whichever is later.

(b) To appeal a payment rate or payment change that results from a difference in case mix between the base year and a rate year, the procedures and requirements of paragraph (a) apply. However, the appeal must be filed with the commissioner within ~~60~~ 120 days after the end of a rate year. A case mix appeal must apply to the cost of services to all medical assistance patients that received inpatient services from the hospital during the rate year appealed. ~~For this paragraph, hospital means a facility holding the provider number as an inpatient service facility.~~

Sec. 15. Minnesota Statutes 1989 Supplement, section 256.9695, subdivision 3, is amended to read:

Subd. 3. [TRANSITION.] Except as provided in section 256.969, subdivision 6a, paragraph (a), clause (3), the commissioner shall establish a transition period for the calculation of payment rates

from July 1, 1989, to ~~December 31, 1990, as follows~~ the implementation date of the upgrade to the Medicaid management information system.

During the transition period:

(a) Changes resulting from section 256.969, subdivision 6a, paragraph (a), clauses (1), (2), (4), (5), (6), and (8), shall not be implemented, except as provided in section 256.969, subdivision 6a, paragraph (a), clause (7), and paragraph (i).

(b) ~~Rates established for hospital fiscal years beginning on or after July 1, 1989, shall not be adjusted for the one percent technology factor included in the hospital cost index~~ The beginning of the 1991 rate year shall be delayed and the rates notification requirement shall not be applicable.

(c) Operating payment rates shall be indexed from the hospital's most recent fiscal year ending prior to January 1, 1991, by prorating the hospital cost index methodology in effect on January 1, 1989. Payments made for admissions occurring on or after ~~July~~ June 1, 1990, shall not ~~include~~ be adjusted by the one percent technology factor included in the hospital cost index and the hospital cost index shall not exceed four percent. This hospital cost index limitation shall not apply to hospitals that meet the requirements of section 256.969, subdivision 6a, paragraphs (g) and (h).

(d) Property and pass-through payment rates shall be maintained at the most recent payment rate effective for June 1, 1990. However, all hospitals are subject to the hospital cost index limitation of subdivision 2c, for two complete fiscal years. Property and pass-through costs shall be retroactively settled through ~~December 31, 1990~~ the transition period. The laws in effect on the day before July 1, 1989, apply to the retroactive settlement ~~from July 1, 1989, to December 31, 1990~~.

Sec. 16. Minnesota Statutes 1988, section 256B.04, subdivision 15, is amended to read:

Subd. 15. [UTILIZATION REVIEW.] (1) Establish on a statewide basis a new 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 prepaid 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 prepayment and postpayment 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 or health care consultant appointed by the commissioner.

(2) Contracts entered into for purposes of meeting the requirements of this subdivision shall not be subject to the set-aside provisions of chapter 16B.

(3) A recipient aggrieved by the commissioner's termination of services or denial of future services may appeal pursuant to section 256.045. A vendor aggrieved by the commissioner's determination that services provided were not reasonable or necessary may appeal pursuant to the contested case procedures of chapter 14. To appeal, the vendor shall notify the commissioner in writing within 30 days of receiving the commissioner's notice. The appeal request shall specify each disputed item, the reason for the dispute, an estimate of the dollar amount involved for each disputed item, the computation that the vendor believes is correct, the authority in statute or rule upon which the vendor relies for each disputed item, the name and address of the person or firm with whom contacts may be made regarding the appeal, and other information required by the commissioner.

(4) The commissioner may select providers to provide case management services to recipients who use health care services inappropriately or to recipients who are eligible for other managed care projects. The providers shall be selected based upon criteria that may include a comparison with a peer group of providers related to the quality, quantity, or cost of health care services delivered or a review of sanctions previously imposed by health care services programs or the provider's professional licensing board.

Sec. 17. Minnesota Statutes 1988, section 256B.04, subdivision 16, is amended to read:

Subd. 16. [PERSONAL CARE ~~ASSISTANTS~~ SERVICES.] (a) The commissioner shall adopt permanent rules to implement, administer, and operate ~~the~~ personal care ~~assistant~~ services ~~program~~. The rules must incorporate the standards and requirements adopted by the commissioner of health under section 144A.45 which are applicable to the provision of personal care ~~assistant program~~. Limits on the extent of personal care ~~assistant~~ services that may be provided to an individual must be based on the cost-effectiveness of the services in relation to the costs of inpatient hospital care, nursing home care, and other available types of care. The rules must provide, at a minimum:

(1) that agencies be selected to contract with or employ and train staff to provide and supervise the provision of personal care services;

(2) that agencies employ or contract with a qualified applicant

that a qualified recipient proposes to the agency as the recipient's choice of assistant;

(3) that agencies bill the medical assistance program for a personal care service by a personal care assistant and ~~visits~~ supervision by the registered nurse supervising the personal care assistant;

(4) that agencies establish a grievance mechanism; and

(5) that agencies have a quality assurance program.

(b) For personal care assistants under contract with an agency under paragraph (a), the provision of training and supervision by the agency does not create an employment relationship. The commissioner may waive the requirement for the provision of personal care services through an agency in a particular county, when there are less than two agencies providing services in that county.

Sec. 18. Minnesota Statutes 1988, section 256B.055, subdivision 3, is amended to read:

Subd. 3. [AFDC FAMILIES.] Medical assistance may be paid for a person who is eligible for or receiving, or who would be eligible for, except for excess income or assets, public assistance under the aid to families with dependent children program.

Sec. 19. Minnesota Statutes 1988, section 256B.055, subdivision 5, is amended to read:

Subd. 5. [PREGNANT WOMEN; DEPENDENT UNBORN CHILD.] Medical assistance may be paid for a pregnant woman~~, as certified in writing by a physician or nurse midwife~~ who has written verification of a positive pregnancy test from a physician or licensed registered nurse, who meets the other eligibility criteria of this section and who would be categorically eligible for assistance under the aid to families with dependent children program if the child had been born and was living with the woman. For purposes of this subdivision, a woman is considered pregnant for 60 days postpartum.

Sec. 20. Minnesota Statutes 1988, section 256B.055, subdivision 6, is amended to read:

Subd. 6. [PREGNANT WOMEN; NEEDY UNBORN CHILD.] Medical assistance may be paid for a pregnant woman~~, as certified in writing by a physician or nurse midwife~~ who has written verification of a positive pregnancy test from a physician or licensed registered nurse, who meets the other eligibility criteria of this section and whose unborn child would be eligible as a needy child

under subdivision ~~1h~~ 10 if born and living with the woman. For purposes of this subdivision, a woman is considered pregnant for 60 days postpartum.

Sec. 21. Minnesota Statutes 1989 Supplement, section 256B.055, subdivision 7, is amended to read:

Subd. 7. [AGED, BLIND, OR DISABLED PERSONS.] Medical assistance may be paid for a person who meets the categorical eligibility requirements of the supplemental security income program ~~and~~ or, who would meet those requirements except for excess income or assets, and who meets the other eligibility requirements of this section. ~~The methodology for calculating income must be the same methodology used for calculating income for the supplemental security income program except as specified otherwise by state or federal law, rule, or regulation.~~

Effective February 1, 1989, and to the extent allowed by federal law the commissioner shall deduct state and federal income taxes and federal insurance contributions act payments withheld from the individual's earned income in determining eligibility under this subdivision.

Sec. 22. Minnesota Statutes 1988, section 256B.055, subdivision 12, is amended to read:

Subd. 12. [DISABLED CHILDREN.] (a) A person is eligible for medical assistance if the person is under age 19 and qualifies as a disabled individual under United States Code, title 42, section 1382c(a), and would be eligible for medical assistance under the state plan if residing in a medical institution, and who requires a level of care provided in a hospital, skilled nursing facility, intermediate care facility, or intermediate care facility for persons with mental retardation or related conditions, for whom home care is appropriate, provided that the cost to medical assistance for home care services is not more than the amount that medical assistance would pay for appropriate institutional care.

(b) For purposes of this subdivision, "hospital" means an acute care institution as defined in section 144.696, subdivision 3, licensed pursuant to sections 144.50 to 144.58, which is appropriate if a person is technology dependent or has a chronic health condition which requires frequent intervention by a health care professional to avoid death.

(c) For purposes of this subdivision, "skilled nursing facility" and "intermediate care facility" means a facility which provides nursing care as defined in section 144A.01, subdivision 5, licensed pursuant to sections 144A.02 to 144A.10, which is appropriate if a person is in active restorative treatment; is in need of special treatments provided or supervised by a licensed nurse; or has unpredictable

episodes of active disease processes requiring immediate judgment by a licensed nurse.

(d) For purposes of this subdivision, "intermediate care facility for the mentally retarded" or "ICF/MR" means a program licensed to provide services to persons with mental retardation under section 252.28, and chapter 245A, and a physical plant licensed as a supervised living facility under chapter 144, which together are certified by the Minnesota department of health as meeting the standards in Code of Federal Regulations, title 42, part 483, for an intermediate care facility which provides services for persons with mental retardation or persons with related conditions who require 24-hour supervision and active treatment for medical, behavioral, or habilitation needs.

(e) For purposes of this subdivision, a hospital, skilled nursing facility, or intermediate care facility may be appropriate for persons who require 24-hour supervision because they exhibit suicidal or homicidal ideation or behavior, psychosomatic disorders or somatopsychic disorders that may become life threatening, severe socially unacceptable behavior associated with psychiatric disorder, psychosis or severe developmental problems requiring continuous skilled observation, or disabling symptoms that do not respond to office-centered outpatient treatment.

Sec. 23. Minnesota Statutes 1988, section 256B.056, is amended by adding a subdivision to read:

Subd. 1a. [INCOME AND ASSETS GENERALLY.] Unless specifically required by state law or rule or federal law or regulation, the methodologies used in counting income and assets to determine eligibility for medical assistance shall be as follows: (a) for persons whose eligibility category is based on blindness, disability, or age of 65 or more years, the methodologies for the supplemental security income program shall be used; and (b) for families and children, which includes all other eligibility categories, the methodologies for the aid to families with dependent children program under section 256.73 shall be used. For these purposes, a "methodology" does not include an asset or income standard, budgeting or accounting method, or method of determining effective dates.

Sec. 24. Minnesota Statutes 1988, section 256B.056, subdivision 2, is amended to read:

Subd. 2. [HOMESTEAD.] To be eligible for medical assistance, a person must not own, individually or together with the person's spouse, real property other than the homestead. For the purposes of this section, "homestead" means the house owned and occupied by the applicant or recipient as a primary place of residence, together with the contiguous land upon which it is situated. The homestead shall continue to be excluded for persons residing in a long-term care

facility if it is used as a primary residence by ~~the spouse, minor child, or disabled child of any age.~~ one of the following individuals:

(a) the spouse;

(b) a child under age 21;

(c) a child of any age who is blind or permanently and totally disabled as defined in the supplemental security income program;

(d) a sibling who has equity interest in the home and who resided in the home for at least one year immediately before the date of the person's admission to the facility; or

(e) a child of any age who resided in the home for at least two years immediately before the date of the person's admission to the facility, and who provided care to the person that permitted the person to reside at home rather than in an institution.

The homestead is also excluded for the first six calendar months of the person's stay in the long-term care facility. The person's equity in the homestead must be reduced to an amount within limits or excluded on another basis if the person remains in the long-term care facility for a period longer than six months. Real estate not used as a home may not be retained unless the property is not salable, the equity is $6,000 or less and the income produced by the property is at least six percent of the equity, or the excess real property is exempted for a period of nine months if there is a good faith effort to sell the property and a legally binding agreement is signed to repay the amount of assistance issued during that nine months.

Sec. 25. Minnesota Statutes 1989 Supplement, section 256B.056, subdivision 3, is amended to read:

Subd. 3. [ASSET LIMITATIONS.] To be eligible for medical assistance, a person must not individually own more than $3,000 in assets, or if a member of a household with two family members (husband and wife, or parent and child), the household must not own more than $6,000 in assets, plus $200 for each additional legal dependent. In addition to these maximum amounts, an eligible individual or family may accrue interest on these amounts, but they must be reduced to the maximum at the time of an eligibility redetermination. For residents of long-term care facilities, the accumulation of the clothing and personal needs allowance pursuant to section 256B.35 must also be reduced to the maximum at the time of the eligibility redetermination. The value of the items in paragraphs (a) to (i) are not considered in determining medical assistance eligibility.

(a) The homestead is not considered.

(b) Household goods and personal effects are not considered.

(c) Personal property used as a regular abode by the applicant or recipient is not considered.

(d) A lot in a burial plot for each member of the household is not considered.

(e) Capital and operating assets of a trade or business that the local agency determines are necessary to the person's ability to earn an income are not considered.

(f) ~~For a period of six months,~~ Insurance settlements to repair or replace damaged, destroyed, or stolen property are ~~not~~ considered to the same extent as in the related cash assistance programs.

(g) One motor vehicle that is 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 that is used primarily for the person's benefit is not considered.

To be excluded, the vehicle must have a market value of less than $4,500; be necessary to obtain medically necessary health services; be necessary for employment; be modified for operation by or transportation of a handicapped person; or be necessary to perform essential daily tasks because of climate, terrain, distance, or similar factors. The equity value of other motor vehicles is counted against the asset limit.

(h) Life insurance policies and assets designated as burial expenses, according to the standards and restrictions of the supplemental security income (SSI) program.

(i) Other items ~~which may be~~ excluded by federal law are not considered.

Sec. 26. Minnesota Statutes 1989 Supplement, section 256B.056, subdivision 4, is amended to read:

Subd. 4. [INCOME.] To be eligible for medical assistance, a person must not have, or anticipate receiving, semiannual income in excess of 120 percent of the income standards by family size used in the aid to families with dependent children program, except that families and children may have an income up to 133⅓ percent of the AFDC income standard. ~~Notwithstanding any laws or rules to the contrary,~~ In computing income to determine eligibility of persons who are not residents of long-term care facilities, the commissioner shall disregard increases in income as required by Public Law Numbers 94-566, section 503; 99-272; and 99-509.

Sec. 27. Minnesota Statutes 1988, section 256B.056, subdivision 7, is amended to read:

Subd. 7. [PERIOD OF ~~INELIGIBILITY~~ ELIGIBILITY.] Eligibility is available for the month of application and for three months prior to application if the person was eligible in those prior months. A redetermination of eligibility must occur every 12 months.

Sec. 28. Minnesota Statutes 1989 Supplement, section 256B.057, subdivision 1, is amended to read:

Subdivision 1. [PREGNANT WOMEN AND INFANTS.] An infant less than one year of age or a pregnant woman~~, as certified in writing by a physician or nurse midwife~~ who has written verification of a positive pregnancy test from a physician or licensed registered nurse, is eligible for medical assistance if countable family income is equal to or less than 185 percent of the federal poverty guideline for the same family size. Eligibility for a pregnant woman or infant less than one year of age under this subdivision must be determined without regard to asset standards established in section 256B.056, subdivision 3. Adjustments in the income limits due to annual changes in the federal poverty guidelines shall be implemented the first day of July following publication of the changes.

Sec. 29. Minnesota Statutes 1989 Supplement, section 256B.057, subdivision 2, is amended to read:

Subd. 2. [CHILDREN.] A child one through ~~seven~~ five years of age in a family whose countable income is less than ~~100~~ 133 percent of the federal poverty guidelines for the same family size is eligible for medical assistance. A child six through seven years of age who was born after September 30, 1983, in a family whose countable income is less than 100 percent of the federal poverty guideline for the same sized family is eligible for medical assistance. Eligibility for children under this subdivision must be determined without regard to asset standards established in section 256B.056, subdivision 3. Adjustments in the income limits due to annual changes in the federal poverty guidelines shall be implemented the first day of July following publication of the changes.

Sec. 30. Minnesota Statutes 1989 Supplement, section 256B.057, is amended by adding a subdivision to read:

Subd. 4. [QUALIFIED WORKING DISABLED ADULTS.] A person who is entitled to Medicare Part A benefits under section 1818A of the Social Security Act; whose income does not exceed 200 percent of the federal poverty guidelines for the applicable family size; whose nonexempt assets do not exceed twice the maximum amount allowable under the supplemental security income program, according to family size; and who is not otherwise eligible for medical

assistance, is eligible for medical assistance reimbursement of the Medicare Part A premium. Adjustments in the income limits due to annual changes in the federal poverty guidelines shall be implemented the first day of July following publication of the changes.

Sec. 31. Minnesota Statutes 1989 Supplement, section 256B.057, is amended by adding a subdivision to read:

Subd. 5. [DISABLED ADULT CHILDREN.] A person who is at least 18 years old, who was eligible for supplemental security income benefits on the basis of blindness or disability, who became disabled or blind before he or she reached the age of 22, and who lost eligibility as a result of becoming entitled to a child's insurance benefits on or after July 1, 1987, under section 202(d) of the Social Security Act, or because of an increase in those benefits effective on or after July 1, 1987, is eligible for medical assistance as long as he or she would be entitled to supplemental security income in the absence of child's insurance benefits or increases in those benefits.

Sec. 32. Minnesota Statutes 1989 Supplement, section 256B.0575, is amended to read:

256B.0575 [AVAILABILITY OF INCOME FOR INSTITUTIONALIZED PERSONS.]

When an institutionalized person is determined eligible for medical assistance, the income that exceeds the deductions in paragraphs (a) and (b) must be applied to the cost of institutional care.

(a) The following amounts must be deducted from the institutionalized person's income in the following order:

(1) the personal needs allowance under section 256B.35;

(2) the personal allowance for disabled individuals under section 256B.36;

(3) if the institutionalized person has a legally-appointed guardian or conservator, five percent of the recipient's gross monthly income up to $100 as reimbursement for guardianship or conservatorship services;

(4) a monthly income allowance determined under section 256B.058, subdivision 2, but only to the extent income of the institutionalized spouse is made available to the community spouse;

(5) a monthly allowance for children under age 18 which, together with the net income of the children, would provide income equal to the medical assistance standard for a family size that includes only the minor children. This deduction applies only if the children do not

live with the community spouse, and only if the children resided with the institutionalized person immediately prior to admission;

(6) a monthly family allowance for other family members, equal to one-third of the difference between 122 percent of the federal poverty guidelines and the monthly income for that family member; and

~~(6)~~ (7) amounts for reasonable expenses incurred for necessary medical or remedial care for the institutionalized spouse that are not medical assistance covered expenses and that are not subject to payment by a third party.

For purposes of clause ~~(5)~~ (6), other family member includes ~~only minor or dependent children, dependent parents, or dependent siblings of the institutionalized or community spouse if the sibling resides with the community spouse.~~ a person who resides with the community spouse and who is a minor or dependent child, dependent parent, or dependent sibling of either spouse. "Dependent" means a person who could be claimed as a dependent for federal income tax purposes under the Internal Revenue Code.

(b) Income shall be allocated to an institutionalized person for a period of up to three calendar months, in an amount equal to the medical assistance standard for a family size of one if:

(1) a physician certifies that the person is expected to reside in the long-term care facility for three calendar months or less;

(2) if the person has expenses of maintaining a residence in the community; and

(3) if one of the following circumstances apply:

(i) the person was not living together with a spouse or a family member as defined in paragraph (a) when the person entered a long-term care facility; or

(ii) the person and the person's spouse become institutionalized on the same date, in which case the allocation shall be applied to the income of one of the spouses.

For purposes of this paragraph, a person is determined to be residing in a licensed nursing home, regional treatment center, or medical institution if the person is expected to remain for a period of one full calendar month or more.

Sec. 33. Minnesota Statutes 1989 Supplement, section 256B.059, subdivision 4, is amended to read:

Subd. 4. [INCREASED COMMUNITY SPOUSE ASSET ALLOWANCE; WHEN ALLOWED.] (a) If either the institutionalized spouse or community spouse establishes that the community spouse asset allowance under subdivision 3 (in relation to the amount of income generated by such an allowance) is not sufficient to raise the community spouse's income to the minimum monthly maintenance needs allowance in section 256B.058, subdivision 2, paragraph (c), there shall be substituted for the amount allowed to be transferred an amount sufficient, when combined with the monthly income otherwise available to the spouse, to provide the minimum monthly maintenance needs allowance. A substitution under this paragraph may be made only if the assets of the couple have been arranged so that the maximum amount of income-producing assets, at the maximum rate of return, are available to the community spouse under the community spouse asset allowance. The maximum rate of return is the average rate of return available from the financial institution holding the asset, or a rate determined by the commissioner to be reasonable according to community standards, if the asset is not held by a financial institution.

(b) The community spouse asset allowance under subdivision 3 can be increased by court order or hearing that complies with the requirements of United States Code, title 42, section 1924.

Sec. 34. Minnesota Statutes 1989 Supplement, section 256B.059, subdivision 5, is amended to read:

Subd. 5. [ASSET AVAILABILITY.] (a) At the time of application for medical assistance benefits, assets considered available to the institutionalized spouse shall be the total value of all assets in which either spouse has an ownership interest, reduced by the greater of:

(1) $12,000; or

(2) the lesser of the spousal share or $60,000; or

(3) the amount required by court order to be paid to the community spouse. If the community spouse asset allowance has been increased under subdivision 4, then the assets considered available to the institutionalized spouse under this subdivision shall be further reduced by the value of additional amounts allowed under subdivision 4.

(b) An institutionalized spouse may be found eligible for medical assistance even though assets in excess of the allowable amount are found to be available under paragraph (a) if the assets are owned jointly or individually by the community spouse, and the institutionalized spouse cannot use those assets to pay for the cost of care without the consent of the community spouse, and if: (i) the institutionalized spouse assigns to the commissioner the right to support from the community spouse under section 256B.14, subdi-

vision 2; (ii) the institutionalized spouse lacks the ability to execute an assignment due to a physical or mental impairment; or (iii) the denial of eligibility would cause an imminent threat to the institutionalized spouse's health and well-being.

(c) After the month in which the institutionalized spouse is determined eligible for medical assistance, during the continuous period of institutionalization, no assets of the community spouse are considered available to the institutionalized spouse, unless the institutionalized spouse has been found eligible under clause (b).

~~(c)~~ (d) For purposes of this section, assets do not include assets excluded under section 256B.056, without regard to the limitations on total value in that section.

Sec. 35. Minnesota Statutes 1989 Supplement, section 256B.0595, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITED TRANSFERS.] If ~~an institutionalized~~ a person or the person's spouse has given away, sold, or disposed of, for less than fair market value, any asset or interest therein, except assets other than the homestead that are excluded under section 256B.056, subdivision 3, within 30 months ~~of~~ before or any time after the date of institutionalization if the person has been determined eligible for medical assistance, or within 30 months ~~of~~ before or any time after the date of the first approved application for medical assistance if the person has not yet been determined eligible for medical assistance, the person is ineligible for long-term care services for the period of time determined under subdivision 2. For purposes of this section, long-term care services include nursing facility services, and home and community-based services provided pursuant to section 256B.491. For purposes of this subdivision and subdivisions 2, 3, and 4, "institutionalized person" includes a person who is an inpatient in a nursing facility, or who is receiving home and community-based services under section 256B.491.

Sec. 36. Minnesota Statutes 1989 Supplement, section 256B.0595, subdivision 2, is amended to read:

Subd. 2. [PERIOD OF INELIGIBILITY.] For any uncompensated transfer, the number of months of ineligibility for long-term care services shall be the lesser of 30 months, or the uncompensated transfer amount divided by the average medical assistance rate for nursing facility services in the state in effect on the date of application. The amount used to calculate the average medical assistance payment rate shall be adjusted each July 1 to reflect payment rates for the previous calendar year. The period of ineligibility begins with the month in which the assets were transferred. If the transfer was not reported to the local agency at the time of application, and the applicant received long-term care services during what would have been the period of ineligibility if the

transfer was reported, a cause of action exists against the transferee for the cost of long-term care services provided during the period of ineligibility, or for the uncompensated amount of the transfer, whichever is less. The action may be brought by the state or the local agency responsible for providing medical assistance under chapter 256G. The uncompensated transfer amount is the fair market value of the asset at the time it was given away, sold, or disposed of, less the amount of compensation received.

Sec. 37. Minnesota Statutes 1989 Supplement, section 256B.0595, subdivision 4, is amended to read:

Subd. 4. [OTHER EXCEPTIONS TO TRANSFER PROHIBITION.] An institutionalized person ~~receiving medical assistance on the date of institutionalization who has transferred assets for less than fair market value within the 30 months immediately before the date of institutionalization or an institutionalized person who was not receiving medical assistance on the date of institutionalization and who has transferred assets for less than fair market value within 30 months immediately before the month of application~~ who has made, or whose spouse has made a transfer prohibited by subdivision 1, is not ineligible for long-term care services if one of the following conditions apply:

(1) the assets were transferred to the community spouse, as defined in section 256B.059; or

(2) the institutionalized spouse, prior to being institutionalized, transferred assets to his or her spouse, provided that the spouse to whom the assets were transferred does not then transfer those assets to another person for less than fair market value. (At the time when one spouse is institutionalized, assets must be allocated between the spouses as provided under section 256B.059); or

(3) the assets were transferred to the individual's child who is blind or permanently and totally disabled as determined in the supplemental security income program; or

(4) a satisfactory showing is made that the individual intended to dispose of the assets either at fair market value or for other valuable consideration; or

(5) the local agency determines that denial of eligibility for long-term care services would work an undue hardship and grants a waiver of excess assets. When a waiver is granted, a cause of action exists against the person to whom the assets were transferred for that portion of long-term care services granted within 30 months of the transfer, or the amount of the uncompensated transfer, whichever is less, together with the costs incurred due to the action. The action may be brought by the state or the local agency responsible for providing medical assistance under this chapter.

Sec. 38. Minnesota Statutes 1988, section 256B.0625, subdivision 4, is amended to read:

Subd. 4. [OUTPATIENT AND CLINIC SERVICES.] Medical assistance covers outpatient hospital ~~or nonprofit 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~~ a physician ~~who is on the premises~~. Hospital outpatient departments are 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. A second medical opinion is required before reimbursement for elective surgeries requiring a second opinion. The commissioner shall publish in the State Register a list of elective surgeries that require a second medical opinion before reimbursement and the criteria and standards for deciding whether an elective surgery should require a second surgical opinion. The list and the criteria and standards are not subject to the requirements of sections 14.01 to 14.69. The commissioner's decision whether a second medical opinion is required, made in accordance with rules governing that decision, is not subject to administrative appeal. "Emergency services" means those medical services required for the immediate diagnosis and treatment of medical conditions that, 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, nor 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, or the qualifications and availability of personnel to render these services consistent with this section.

Sec. 39. Minnesota Statutes 1988, section 256B.0625, subdivision 5, is amended to read:

Subd. 5. [COMMUNITY MENTAL HEALTH CENTER SERVICES.] Medical assistance covers 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.

Sec. 40. Minnesota Statutes 1988, section 256B.0625, is amended by adding a subdivision to read:

Subd. 8a. [OCCUPATIONAL THERAPY.] Medical assistance covers occupational therapy and related services.

Sec. 41. Minnesota Statutes 1988, section 256B.0625, subdivision 9, is amended to read:

Subd. 9. [DENTAL SERVICES.] Medical assistance covers dental services~~, excluding cast metal restorations~~. Dental services include, with prior authorization, fixed cast metal restorations that are cost-effective for persons who cannot use removable dentures because of their medical condition.

Sec. 42. Minnesota Statutes 1989 Supplement, section 256B.0625, subdivision 13, is amended to read:

Subd. 13. [DRUGS.] (a) Medical assistance covers drugs if prescribed by a licensed practitioner. The commissioner shall designate a formulary committee to advise the commissioner on the names of drugs for which payment is 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 human services, 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 human services, 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, and vitamins for children under the age of seven and pregnant or nursing women; 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 this 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 the commissioner's determination shall not be subject to chapter 14, the administrative procedure act. The commissioner shall publish conditions for prohibiting payment for specific drugs after considering the formulary committee's recommendations.

(b) The basis for determining the amount of payment shall be the lower of the actual acquisition costs of the drugs plus a fixed dispensing fee established by the commissioner, the maximum allowable cost set by the federal government or by the commissioner plus the fixed dispensing fee or the usual and customary price charged to the public. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. The actual acquisition cost of a drug may be estimated by the commissioner. The maximum allowable cost of a multisource drug may be set by the commissioner and it shall be comparable to, but no higher than, the maximum amount paid by other third party payors in this state who have maximum allowable cost programs. Establishment of the amount of payment for drugs shall not be subject to the requirements of the administrative procedure act. An additional dispensing fee of $.30 may be added to the dispensing fee paid to pharmacists for legend drug prescriptions dispensed to residents of long-term care facilities when a unit dose blister card system, approved by the department, is used. Under this type of dispensing system, the pharmacist must dispense a 30-day supply of drug. The National Drug Code (NDC) from the drug container used to fill the blister card must be identified on the claim to the department. The unit dose blister card containing the drug must meet the packaging standards set forth in Minnesota Rules, part 6800.2700, that govern the return of unused drugs to the pharmacy for reuse. The pharmacy provider will be required to credit the department for the actual acquisition cost of all unused drugs that are eligible for reuse. Over-the-counter medications must be dispensed in the manufacturer's unopened package. 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. Implementation of any change in the fixed dispensing fee that has not been subject to the administrative procedure act is limited to not more than 180 days, unless, during that time, the commissioner initiates rulemaking through the administrative procedure act.

Sec. 43. Minnesota Statutes 1988, section 256B.0625, is amended by adding a subdivision to read:

Subd. 28. [CERTIFIED PEDIATRIC OR FAMILY NURSE PRACTITIONER SERVICES.] Medical assistance covers services performed by a certified pediatric nurse practitioner or a certified family nurse practitioner in independent practice, if the services are otherwise covered under this chapter as a physician service, and if the service is within the scope of practice of the nurse practitioner's license as a registered nurse, as defined in section 148.171.

Sec. 44. Minnesota Statutes 1988, section 256B.0625, is amended by adding a subdivision to read:

Subd. 29. [PUBLIC HEALTH NURSING CLINIC SERVICES.] Medical assistance covers the services of a certified public health nurse practicing in a public health nursing clinic that is a department of, or that operates under the direct authority of a unit of government, if the service is within the scope of practice of the public health nurse's license as a registered nurse, as defined in section 148.171.

Sec. 45. Minnesota Statutes 1988, section 256B.0625, is amended by adding a subdivision to read:

Subd. 30. [OTHER CLINIC SERVICES.] Medical assistance covers rural health clinic, federally qualified health center, and nonprofit community health clinic services. Rural health clinic services and federally qualified health center services mean services defined in United States Code, title 42, section 1396d(a)(2)(B) and (C). Payment for rural health clinic and federally qualified health center services shall be made according to applicable federal law and regulation.

Sec. 46. [256B.0627] [COVERED SERVICE; HOME CARE SERVICES.]

Subdivision 1. [DEFINITION.] "Home care services" means a medically necessary health service that is ordered by a physician and documented in a plan of care that is reviewed and revised as medically necessary by the physician at least once every 60 days. Home care services include personal care and nursing supervision of personal care services which is reviewed and revised as medically necessary by the physician at least once every 365 days. Home care services are provided to the recipient at the recipient's residence that is a place other than a hospital or long-term care facility.

Subd. 2. [SERVICES COVERED.] Home care services covered under this section include:

(1) nursing services;

(2) private duty nursing services;

(3) home health aide services;

(4) personal care services; and

(5) nursing supervision of personal care services.

Subd. 3. [PRIVATE DUTY NURSING SERVICES; WHO MAY PROVIDE.] Private duty nursing services may be provided by a registered nurse or licensed practical nurse who is not the recipient's spouse, legal guardian, or parent of a minor child.

Subd. 4. [PERSONAL CARE SERVICES.] (a) Personal care services may be provided by a qualified individual who is not the recipient's spouse, legal guardian, or parent of a minor child.

(b) The personal care services that are eligible for payment are the following:

(1) bowel and bladder care;

(2) skin care to maintain the health of the skin;

(3) range of motion exercises;

(4) respiratory assistance;

(5) transfers;

(6) bathing, grooming, and hairwashing necessary for personal hygiene;

(7) turning and positioning;

(8) assistance with furnishing medication that is normally self-administered;

(9) application and maintenance of prosthetics and orthotics;

(10) cleaning medical equipment;

(11) dressing or undressing;

(12) assistance with food, nutrition, and diet activities;

(13) accompanying a recipient to obtain medical diagnosis or treatment;

(14) services provided for the recipient's personal health and safety;

(15) helping the recipient to complete daily living skills such as personal and oral hygiene and medication schedules; and

(16) incidental household services that are an integral part of a personal care service described in items (1) to (15).

(c) The personal care services that are not eligible for payment are the following:

(1) personal care services that are not in the plan of care developed by the supervising registered nurse in consultation with the personal care assistants and the recipient or family of the recipient;

(2) services that are not supervised by the registered nurse;

(3) services provided by the recipient's spouse, legal guardian, or parent of a minor child;

(4) sterile procedures; and

(5) injections of fluids into veins, muscles, or skin.

Subd. 5. [LIMITATION ON PAYMENTS.] Medical assistance payments for home care services shall be limited according to paragraphs (a) to (e).

(a) [EXEMPTION FROM PAYMENT LIMITATIONS.] The level, or the number of hours or visits of a specific service, of home health care services to a recipient that began before and is continued without increase on or after December 1987 shall be exempt from the payment limitations of this section, as long as the services are medically necessary.

(b) [LEVEL I HOME CARE.] For all new cases after December 1987, medically necessary home care services up to $800 may be provided in a calendar month.

If the services in the recipient's home care plan will exceed the $800 threshold for 30 days or less, the medically necessary services may be provided.

(c) [LEVEL II HOME CARE.] If the services in the recipient's home care plan will exceed $800 for more than 30 days, a public health nurse from the local preadmission screening team shall determine the recipient's maximum level of home care according to this paragraph.

(1) The local preadmission screening team shall base its determination of the recipient's maximum level of care on the need and eligibility of the recipient for one of the following placements:

(i) residential facility for persons with mental retardation or related conditions operated under section 256B.501;

(ii) inpatient hospital care for a ventilator-dependent recipient. "Ventilator dependent" means an individual who receives mechanical ventilation for life support at least six hours per day and is expected to or has been dependent for at least 30 consecutive days; or

(iii) all other recipients not appropriate for one of the above placements.

(2) If the recipient is eligible under clause (1)(i), the monthly medical assistance reimbursement for home care services shall not exceed the total monthly statewide average payment rate for residential facilities for children or adults with mental retardation or related conditions appropriate for the recipient's age and level of self-preservation as determined according to Minnesota Rules, parts 9553.0010 to 9553.0080.

(3) If the recipient is eligible under clause (1)(ii), the monthly medical assistance reimbursement for home care services shall not exceed the monthly cost of care at Bethesda Respiratory Hospital. For purposes of this clause, home care services means all services provided in the home that would be included in the payment for care at Bethesda Respiratory Hospital.

(4) If the recipient is not eligible under either clause (1)(i) or (1)(ii), the monthly medical assistance reimbursement for home care services shall not exceed the total monthly statewide average payment for the case mix classification most appropriate to the recipient. The case mix classification is established under section 256B.431.

(5) The determination of the recipient's maximum level of home care by the public health nurse is called a home care cost assessment. The home care cost assessment must be requested by the home care provider before the end of the first 30 days of provided service and must be conducted by the public health nurse within ten working days following request.

(6) A home care provider shall request a new home care cost assessment when the needs of the individual have changed enough to require that a revised care plan be implemented that will increase costs beyond what was authorized by the previous home care cost assessment and the change is anticipated to last for more than 30 days. The home care provider must request the home care cost assessment before the end of the first 30 days of provided service. Whenever a home care cost assessment is completed, the public health nurse that completes the home care cost assessment, in consultation with the home care provider, shall determine the time

period for which a home care cost assessment shall remain valid. If the recipient continues to require home care services beyond the limited duration of the home care cost assessment, the home care provider must request a reassessment through the home care cost assessment process described above. Under no circumstances shall a home care cost assessment be valid for more than 12 months.

(7) Reimbursement for the home care cost assessment shall be made through the Medicaid administrative authority. The state shall pay the nonfederal share.

(d) [LEVEL III HOME CARE.] If the home care provider determines that the recipient's needs exceed the amount authorized for the appropriate level of care as determined in paragraph (c), the home care provider may refer the case to the department for a level III determination. Based on the client needs, physician orders, diagnosis, condition, and plan of care, the department may give prior authorization for care that exceeds level II described in paragraph (c). The amount authorized shall not exceed the maximum cost for the appropriate level of care as determined in paragraph (c), clause (1), which will be the maximum ICF/MR rate for intermediate care facilities for persons with mental retardation or related conditions, or the maximum nursing home case mix payment, or the highest hospital cost for the state.

The department has 30 days from receipt of the request to complete the level III determination, during which time it may authorize the higher level while reviewing the case.

Case reviews or authorization of home care services in levels II and III may result in assignment of a case manager.

(e) [PRIOR AUTHORIZATION REQUIRED IN FOSTER CARE SETTING.] Any home care service provided in an adult or child foster care setting must receive prior authorization by the department.

Subd. 6. [RECOVERY OF EXCESSIVE PAYMENTS.] The commissioner shall seek monetary recovery of payments from providers made for services which exceed the limits established in this section.

Sec. 47. [256B.0629] [ADVISORY COMMITTEE ON ORGAN AND TISSUE TRANSPLANTS.]

Subdivision 1. [CREATION AND MEMBERSHIP.] By July 1, 1990, the commissioner shall appoint and convene a 12 member advisory committee to provide advice and recommendations to the commissioner concerning the eligibility of organ and tissue transplant procedures for reimbursement by medical assistance and general assistance medical care. The committee must include rep-

resentatives of the transplant provider community, hospitals, patient recipient groups or organizations, the department of human services, the department of finance, and the department of health, and persons with expertise in ethics, law, and economics. The terms and removal of members shall be governed by section 15.059. Members shall not receive per diems but shall be compensated for expenses. The advisory committee does not expire as provided in section 15.059, subdivision 6.

Subd. 2. [FUNCTION AND OBJECTIVES.] The advisory committee shall meet at least twice a year. The committee's activities include, but are not limited to:

(1) collection of information on the efficacy and experience of various forms of transplantation not approved by medicare;

(2) collection of information from Minnesota transplant providers on available services, success rates, and the current status of transplant activity in the state;

(3) development of guidelines for determining when and under what conditions, organ and tissue transplants not approved by medicare should be eligible for reimbursement by medical assistance and general assistance medical care;

(4) providing recommendations, at least annually, to the commissioner on: (i) organ and tissue transplant procedures, beyond those approved by medicare, that should also be eligible for reimbursement under medical assistance and general assistance medical care; and (ii) which transplant centers should be eligible for reimbursement from medical assistance and general assistance medical care.

Subd. 3. [ANNUAL REPORT.] The advisory committee shall present an annual report to the commissioner and the chairs of the health and human services appropriations divisions of the house appropriations committee and the senate finance committee by January 1 of each year on the findings and recommendations of the committee.

Subd. 4. [RESPONSIBILITIES OF THE COMMISSIONER.] The commissioner shall, at least annually:

(1) Develop and publish criteria governing the eligibility of organ and tissue transplant procedures for reimbursement from medical assistance and general assistance medical care. Procedures approved by medicare are automatically eligible for medical assistance and general assistance medical care reimbursement.

(2) Develop and publish criteria certifying transplant centers within and outside of Minnesota where Minnesotans receiving

medical assistance and general assistance medical care may obtain transplants.

Sec. 48. [256B.0643] [VENDOR REQUEST FOR CONTESTED CASE PROCEEDING.]

Unless otherwise provided by law, a vendor of medical care, as defined in section 256B.02, subdivision 7, must use this procedure to request a contested case, as defined in section 14.02, subdivision 3. A request for a contested case must be filed with the commissioner in writing within 30 days after the date the notification of an action or determination was mailed. The appeal request must specify:

(1) each disputed action or item;

(2) the reason for the dispute;

(3) an estimate of the dollar amount involved, if any, for each disputed item;

(4) the computation or other disposition that the appealing party believes is correct;

(5) the authority in statute or rule upon which the appealing party relies for each disputed item;

(6) the name and address of the person or firm with whom contacts may be made regarding the appeal; and

(7) other information required by the commissioner.

Nothing in this section shall be construed to create a right to an administrative appeal or contested case proceeding.

Sec. 49. Minnesota Statutes 1988, section 256B.091, subdivision 4, is amended to read:

Subd. 4. [SCREENING OF PERSONS.] Prior to nursing home or boarding care home admission, screening teams shall assess the needs of all applicants, except (1) patients transferred from other certified nursing homes or boarding care homes; (2) patients who, having entered acute care facilities from nursing homes or boarding care homes, are returning to a nursing home or boarding care home; (3) ~~persons entering a facility described in section 256B.431, subdivision 4, paragraph (c)~~ individuals who are screened by another state within three months before admission to a Minnesota nursing home; (4) individuals ~~not eligible for medical assistance~~ whose length of stay is expected to be 30 days or less based on a physician's certification, if the facility notifies the screening team upon admission and provides an update to the screening team on the 30th day after admission; (5) individuals who have a contractual right to have

their nursing home care paid for indefinitely by the veteran's administration; or (6) persons entering a facility conducted by and for the adherents of a recognized church or religious denomination for the purpose of providing care and services for those who depend upon spiritual means, through prayer alone, for healing. The total screening cost for each county for applicants and residents of nursing homes who request a screening must be paid monthly by nursing homes and boarding care homes participating in the medical assistance program in the county. The monthly amount to be paid by each nursing home and boarding care home for fiscal year 1991 must be determined by dividing the county's estimate of the total annual cost of screenings allowed ~~by the commissioner~~ in the county for the following rate year by 12 to determine the monthly cost estimate and allocating the monthly cost estimate to each nursing home and boarding care home based on the number of licensed beds in the nursing home or boarding care home. The rate allowed for a screening where two team members are present shall be the actual costs up to $218. The rate allowed for a screening where only one team member is present shall be the actual costs up to $131. The commissioner shall establish by rulemaking an annual adjustment of the state maximum screening rate. The monthly cost estimate for each nursing home or boarding care home must be submitted to the nursing home or boarding care home and the state by the county no later than February 15 of each year for inclusion in the nursing home's or boarding care home's payment rate on the following rate year. The commissioner shall include the reported annual estimated cost of screenings for each nursing home or boarding care home as an operating cost of that nursing home in accordance with section 256B.431, subdivision 2b, clause (g). ~~For all individuals regardless of payment source, if delay of screening timelines are not met because a county is late in screening an individual who meets the delay of screening criteria, the county is solely responsible for paying the cost of the preadmission screening.~~ If in more than ten percent of the total number of screenings performed by a county in a fiscal year for all individuals regardless of payment source, the screening timelines were not met because a county was late in screening the individual, the county is solely responsible for paying the cost of those delayed screenings that exceed ten percent. Notwithstanding section 256B.0641, overpayments attributable to payment of the screening costs under the medical assistance program may not be recovered from a facility. Any other interested person may be screened under this subdivision if the person pays a fee for the screening based upon a sliding fee scale determined by the commissioner.

Sec. 50. Minnesota Statutes 1988, section 256B.091, subdivision 6, is amended to read:

Subd. 6. [REIMBURSEMENT.] The commissioner of human services shall amend the Minnesota medical assistance plan to include reimbursement for the local screening teams. Medical assistance

reimbursement shall not be provided for any recipient placed in a nursing home in opposition to the screening team's recommendation after January 1, 1981; provided, however, the commissioner shall not deny reimbursement for (1) an individual admitted to a nursing home or boarding care home who is assessed to need long-term supportive services if long-term supportive services other than nursing home care are not available in that community; (2) any eligible individual placed in the nursing home or boarding care home pending an appeal of the preadmission screening team's decision; (3) any eligible individual placed in the nursing home or boarding care home by a physician in an emergency situation and where the screening team has not made a decision within five working days of its initial contact; or (4) any medical assistance recipient when, after full discussion of all appropriate alternatives including those that are expected to be less costly than care in a nursing home or boarding care home, the individual or the individual's legal representative insists on nursing home or boarding care home placement. Medical assistance reimbursement for nursing homes shall not be provided for any recipient who the team has determined does not meet the level of care criteria for nursing home 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. 51. Minnesota Statutes 1989 Supplement, section 256B.091, subdivision 8, is amended to read:

Subd. 8. [ALTERNATIVE CARE GRANTS.] (a) The commissioner shall provide ~~grants~~ funds to counties participating in the program to pay costs of providing alternative care to individuals screened under subdivision 4 and nursing home or boarding care home residents who request a screening.

(b) Prior to July of each year, the commissioner shall allocate state funds available for alternative care grants to each local agency. ~~This allocation must be made as follows: half of the state funds available for alternative care grants must be allocated to each county according to the total number of adults in that county who are recipients age 65 or older who are reported to the department by March 1 of each state fiscal year and half of the state funds available for alternative care grants must be allocated to a county according to that county's number of Medicare enrollments age 65 or older for the most recent statistical report.~~

(c) For fiscal year 1991 only, the appropriation shall be distributed as specified in paragraphs (1) and (2).

(1) Sufficient state funds shall be set aside for payment for unreimbursed services provided prior to April 1, 1990, as billed by each county by June 1, 1990.

(2) The remainder of the state funds available for alternative care grants must be allocated to each county in the same proportion as each county's share of the actual payments made plus claims submitted for services rendered in the base year. The base year for each county shall be either fiscal year 1989 or calendar year 1989, whichever period contains a larger total dollar amount of payments plus claims submitted for each county. To be counted in the allocation process, claims must be submitted by June 1, 1990. This allocation will include the state share for medical assistance recipients as well as the state share for those who would be eligible within 180 days after nursing home admission. No reallocation between counties will be made. The county agency shall not be reimbursed for services which exceed the county allocation. To receive reimbursement for persons who are eligible within 180 days, the county must submit invoices within 90 days following the date of service. The number of medical assistance waiver recipients which each county may serve is allocated according to the number of open medical assistance waiver cases on July 1, 1990. Additional recipients may be served with the approval of the commissioner. These additional recipients must be served within the county's allocation.

(d) The alternative care grant appropriation for fiscal years 1992 and beyond shall cover only individuals who would be eligible for medical assistance within 180 days after admission to a nursing home. The commissioner shall allocate state funds available for alternative care grants to each county agency. The allocation must be made as follows: the state funds available for alternative care grants, up to the amount of the previous year's allocation increased by the percentage for rates in Minnesota Rules, part 9505.2490, must be allocated to each county in the same proportion as the previous year's allocation. If the appropriation is less than the previous year's allocation plus inflation, it shall be prorated according to the county's share of the formula. Any funds appropriated in excess of the previous year's allocation plus inflation shall be allocated to county agencies, by methodologies that target funds for programs designed to reduce premature nursing home placements and promote cost-effective alternatives to increasing nursing home beds and nursing home utilization. The additional allocation to counties will become part of the allocation base. The commissioner shall appoint a work group including county and senior representatives to assist in developing criteria for allocating funds which may include identifying special target populations, geographic areas, or projects. No reallocation between counties shall be made. The county agency shall not be reimbursed for services which exceed the county allocation. To receive reimbursement, the county must submit invoices within 90 days following the date of service. The number of medical assistance waiver recipients which a county may serve must be allocated according to the number of open medical assistance waiver cases on July 1 of each fiscal year. Additional recipients may be served with the approval of the commissioner.

(e) The commissioner is directed to conduct a review of the preadmission screening program and alternative care grant program including screening requirements, screening reimbursement, program effectiveness, eligibility criteria for alternative care, accessibility to services, copayment and sliding fee issues, county utilization, rates for services, the payment system, funding and forecasting issues, administrative requirements, incentives for innovation, improved consistency with the community assistance for disabled individuals program and medical assistance home care services, and the allocation formula. In conducting this review, special attention should be given to ways to reduce or minimize administrative and program requirements and associated county costs. The commissioner shall appoint a work group including county and senior citizen representatives to assist in the program review. The commissioner must present a report on the findings of the review and recommendations for change to the legislature by February 15, 1991.

(f) Payment is available under this subdivision only for individuals (1) for whom the screening team would recommend nursing home or boarding care home admission, or continued stay if alternative care were not available; (2) who are receiving medical assistance or who would be eligible for medical assistance within 180 days of admission to a nursing home; (3) who need services that are not available at that time in the county through other public assistance; and (4) who are age 65 or older.

(g) The commissioner shall establish by rule, in accordance with chapter 14, procedures for determining ~~grant reallocations,~~ limits on the rates for payment of approved services, including screenings, and submittal and approval of a biennial county plan for the administration of the preadmission screening and alternative care grants program.

(h) Grants may be used for payment of costs of providing care-related supplies, equipment, and the following services ~~such as, but not limited to,~~: adult foster care ~~for elderly persons~~, adult day care ~~whether or not offered through a nursing home, nutritional counseling, or medical social services, which~~, home health aide, homemaker, personal care, case management, and respite care. These services ~~are~~ must be provided by a licensed health care provider, a home health service eligible for reimbursement under Titles XVIII and XIX of the federal Social Security Act, or by persons employed by or contracted with by the county board or the local welfare agency.

(i) The county agency shall ensure that a plan of care is established for each individual in accordance with subdivision 3, clause (e)(2), and that a client's service needs and eligibility is reassessed at least every six months. The plan shall include any services prescribed by the individual's attending physician as necessary and

follow up services as necessary. The county agency shall provide documentation to the commissioner verifying that the individual's alternative care is not available at that time through any other public assistance or service program and shall provide documentation in each individual's plan of care and to the commissioner that the most cost-effective alternatives available have been offered to the individual and that the individual was free to choose among available qualified providers, both public and private. The county agency shall document to the commissioner that the agency made reasonable efforts to inform potential providers of the anticipated need for services under the alternative care grants program, including a minimum of 14 days written advance notice of the opportunity to be selected as a service provider and an annual public meeting with providers to explain and review the criteria for selection, and that the agency allowed potential providers an opportunity to be selected to contract with the county board. Grants to counties under this subdivision are subject to audit by the commissioner for fiscal and utilization control.

(j) The county must select providers for contracts or agreements using the following criteria and other criteria established by the county:

(1) the need for the particular services offered by the provider;

(2) the population to be served, including the number of clients, the length of time services will be provided, and the medical condition of clients;

(3) the geographic area to be served;

(4) quality assurance methods, including appropriate licensure, certification, or standards, and supervision of employees when needed;

(5) rates for each service and unit of service exclusive of county administrative costs;

(6) evaluation of services previously delivered by the provider; and

(7) contract or agreement conditions, including billing requirements, cancellation, and indemnification.

(k) The county must evaluate its own agency services under the criteria established for other providers. The county shall provide a written statement of the reasons for not selecting providers.

(l) The commissioner shall establish a sliding fee schedule for requiring payment for the cost of providing services under this subdivision to persons who are eligible for the services but who are

not yet eligible for medical assistance. The sliding fee schedule is not subject to chapter 14 but the commissioner shall publish the schedule and any later changes in the State Register and allow a period of 20 working days from the publication date for interested persons to comment before adopting the sliding fee schedule in final forms.

(m) The commissioner shall apply for a waiver for federal financial participation to expand the availability of services under this subdivision. Waivered services provided to medical assistance recipients must comply with the same criteria as defined in this section and in the approved waiver. Reimbursement for the medical assistance recipients shall be made from the regular medical assistance account. The commissioner shall provide grants to counties from the nonfederal share, unless the commissioner obtains a federal waiver for medical assistance payments, of medical assistance appropriations. A county agency may use grant money to supplement but not supplant services available through other public assistance or service programs and shall not use grant money to establish new programs for which public money is available through sources other than grants provided under this subdivision. A county agency shall not use grant money to provide care under this subdivision to an individual if the anticipated cost of providing this care would exceed the average payment, as determined by the commissioner, for the level of care that the recipient would receive if placed in a nursing home or boarding care home. The nonfederal share may be used to pay up to 90 percent of the start-up and service delivery costs of providing care under this subdivision. The state share of the nonfederal portion of costs shall be 90 percent and the county share shall be ten percent. Each county agency that receives a grant shall pay ten percent of the costs for persons who are eligible for the services but who are not yet eligible for medical assistance.

(n) Beginning July 1, 1991, the state will reimburse counties according to the payment schedule in section 256.025 for the county share of costs incurred under this subdivision from January 1, 1991, on, for individuals who are receiving medical assistance.

(o) Beginning July 1, 1991, the state will reimburse counties, up to the limit of state appropriations, according to the payment schedule in section 256.025 for the county share of costs incurred under this subdivision from January 1, 1991, on, for individuals who would be eligible for medical assistance within 180 days of admission to a nursing home.

(p) The commissioner shall promulgate emergency rules in accordance with sections 14.29 to 14.36, to establish required documentation and reporting of care delivered.

Sec. 52. Minnesota Statutes 1989 Supplement, section 256B.14, is amended to read:

256B.14 [RELATIVE'S RESPONSIBILITY.]

Subdivision 1. [IN GENERAL.] Subject to the provisions of sections 256B.055, 256B.056, and 256B.06, responsible relative means the parent of a minor recipient of medical assistance or the spouse of a medical assistance recipient.

Subd. 2. [ACTIONS TO OBTAIN PAYMENT.] The state agency shall promulgate rules to determine the ability of responsible relatives to contribute partial or complete payment or repayment of medical assistance furnished to recipients for whom they are responsible. These rules shall not require payment or repayment when payment would cause undue hardship to the responsible relative or that relative's immediate family. These rules shall be consistent with the requirements of section 252.27, subdivision 2, for parents of children whose eligibility for medical assistance was determined without deeming of the parents' resources and income. For parents of children receiving services under a federal medical assistance waiver or under section 134 of the Tax Equity and Fiscal Responsibility Act of 1982, United States Code, title 42, section 1396a(e)(3), while living in their natural home, including in-home family support services, respite care, homemaker services, and minor adaptations to the home, the state agency shall take into account the room, board, and services provided by the parents in determining the parental contribution to the cost of care. The county agency shall give the responsible relative notice of the amount of the payment or repayment within 30 days of the date of the notice of the person's eligibility. 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.

Subd. 3. [COMMUNITY SPOUSE CONTRIBUTION.] The community spouse of an institutionalized person who receives medical assistance under section 256B.059, subdivision 5, paragraph (b), has an obligation to pay for the cost of care equal to the dollar value of

assets considered available under section 256B.059, subdivision 5, paragraph (a).

Subd. 4. [APPEALS.] A responsible relative may appeal the determination of an obligation to make a contribution under this section, according to section 256.045.

Sec. 53. Minnesota Statutes 1988, section 256B.15, is amended to read:

256B.15 [CLAIMS AGAINST ESTATES.]

Subdivision 1. [ESTATES SUBJECT TO CLAIMS.] If a person receives any medical assistance hereunder, on the person's death, if single, or on the death of the survivor of a married couple, either or both of whom received medical assistance, ~~and only when there is no surviving child who is under 21 or is blind or totally disabled,~~ the total amount paid for medical assistance rendered for the person and spouse, ~~after~~ age ~~65, without interest,~~ shall be filed as a claim against the estate of the person or the estate of the surviving spouse in the court having jurisdiction to probate the estate.

~~A claim against the estate of a surviving spouse who did not receive medical assistance, for medical assistance rendered for the predeceased spouse, is limited to the value of the assets of the estate that were marital property or jointly owned property at any time during the marriage.~~ A claim shall be filed if medical assistance was rendered for either or both persons under one of the following circumstances:

(a) the person was over 65 years of age; or

(b) the person resided in a medical institution for six months or longer and, at the time of institutionalization or application for medical assistance, whichever is later, the person could not have reasonably been expected to be discharged and returned home, as certified in writing by the person's treating physician. For purposes of this section only, a "medical institution" means a skilled nursing facility, intermediate care facility, intermediate care facility for persons with mental retardation, nursing facility, or inpatient hospital.

The claim shall be considered an expense of the last illness of the decedent for the purpose of section 524.3-805. Any statute of limitations that purports to limit any county agency or the state agency, or both, to recover for medical assistance granted hereunder shall not apply to any claim made hereunder for reimbursement for any medical assistance granted hereunder. Counties are entitled to one-half of the nonfederal share of medical assistance collections from estates that are directly attributable to county effort.

Subd. 2. [LIMITATIONS ON CLAIMS.] The claim shall include only the total amount of medical assistance rendered after age 65 or during a period of institutionalization described in subdivision 1, clause (b), and shall not include interest. A claim against the estate of a surviving spouse who did not receive medical assistance, for medical assistance rendered for the predeceased spouse, is limited to the value of the assets of the estate that were marital property or jointly owned property at any time during the marriage.

Subd. 3. [MINOR, BLIND OR DISABLED CHILDREN.] If a decedent who was single, or who was the surviving spouse of a married couple, is survived by a child who is under age 21 or blind or permanently and totally disabled according to the supplemental security income program criteria, no claim shall be filed against the estate.

Subd. 4. [OTHER SURVIVORS.] If the decedent who was single or the surviving spouse of a married couple is survived by one of the following persons, a claim exists against the estate in an amount not to exceed the value of the nonhomestead property included in the estate:

(a) a sibling who resided in the decedent medical assistance recipient's home at least one year before the decedent's institutionalization and continuously since the date of institutionalization; or

(b) a son or daughter who resided in the decedent medical assistance recipient's home for at least two years immediately before the parent's institutionalization and continuously since the date of institutionalization, and who establishes by a preponderance of the evidence that he or she provided care to the parent who received medical assistance, the care was provided before institutionalization, and the care permitted the parent to reside at home rather than in an institution.

Sec. 54. Minnesota Statutes 1988, section 256B.19, is amended by adding a subdivision to read:

Subd. 2b. [PILOT PROJECT REIMBURSEMENT.] In counties where a demonstration or pilot project is operated under the medical assistance program, the state may pay 100 percent of the administrative costs for the demonstration or pilot project after June 30, 1990. Reimbursement for these costs is subject to section 256.025.

Sec. 55. Minnesota Statutes 1988, section 256B.431, is amended by adding a subdivision to read:

Subd. 2l. [INFLATION ADJUSTMENTS AFTER JULY 1, 1990.] For rate years beginning on or after July 1, 1990, the forecasted composite price index for a nursing home's allowable operating cost

per diems shall be determined using Data Resources, Inc., forecast for change in the Nursing Home Market Basket. The commissioner of human services shall use the indices as forecasted by Data Resources, Inc., in the fourth quarter of the calendar year preceding the rate year.

Sec. 56. Minnesota Statutes 1988, section 256B.431, subdivision 3e, is amended to read:

Subd. 3e. [HOSPITAL-ATTACHED CONVALESCENT AND NURSING CARE FACILITIES.] If a community-operated hospital and attached convalescent and nursing care facility suspend operation of the hospital, or a nonprofit hospital and attached convalescent and nursing care facility suspend operation of the hospital on July 31, 1989, the surviving nursing care facility must be allowed to continue its status as a hospital-attached convalescent and nursing care facility for reimbursement purposes in three subsequent rate years.

Sec. 57. Minnesota Statutes 1989 Supplement, section 256B.431, subdivision 3g, is amended to read:

Subd. 3g. [PROPERTY COSTS AFTER JULY 1, 1990, FOR CERTAIN FACILITIES.] (a) For rate years beginning on or after July 1, 1990, nursing homes that, on or after January 1, 1976, but prior to January 1, 1987, were newly licensed after new construction, or increased their licensed beds by a minimum of 35 percent through new construction, and whose building capital allowance is less than their allowable annual principal and interest on allowable debt prior to the application of the replacement-cost-new per bed limit and whose remaining weighted average debt amortization schedule as of January 1, 1988, exceeded 15 years, must receive a property-related payment rate equal to the greater of their rental per diem or their annual allowable principal and allowable interest without application of the replacement-cost-new per bed limit, divided by their capacity days as determined under Minnesota Rules, part 9549.0060, subpart 11, as modified by subdivision 3f, paragraph (c), for the preceding reporting year, plus their equipment allowance. A nursing home that is eligible for a property-related payment rate under this subdivision and whose property-related payment rate in a subsequent rate year is its rental per diem must continue to have its property-related payment rates established for all future rate years based on the rental reimbursement method in Minnesota Rules, part 9549.0060.

The commissioner may require the nursing home to apply for refinancing as a condition of receiving special rate treatment under this subdivision.

(b) If a nursing home is eligible for a property-related payment rate under this subdivision, and the nursing home's debt is refi-

nanced after ~~October~~ January 1, ~~1988~~ 1985, the provisions in paragraphs (1) to (7) also apply to the property-related payment rate for rate years beginning on or after July 1, 1990.

(1) A nursing home's refinancing must not include debts with balloon payments.

(2) If the issuance costs, including issuance costs on the debt refinanced, are financed as part of the refinancing, the historical cost of capital assets limit in Minnesota Rules, part 9549.0060, subpart 5, item A, subitem (6), includes issuance costs that do not exceed seven percent of the debt refinanced, plus the related issuance costs. For purposes of this paragraph, issuance costs means the fees charged by the underwriter, issuer, attorneys, bond raters, appraisers, and trustees, and includes the cost of printing, title insurance, registration tax, and a feasibility study for the refinancing of a nursing home's debt. Issuance costs do not include bond premiums or discounts when bonds are sold at other than their par value, points, or a bond reserve fund. To the extent otherwise allowed under this paragraph, the straight-line amortization of the refinancing issuance costs is not an allowable cost.

(3) The annual principal and interest expense payments and any required annual municipal fees on the nursing home's refinancing replace those of the refinanced debt and, together with annual principal and interest payments on other allowable debts, are allowable costs subject to the limitation on historical cost of capital assets plus issuance costs as limited in paragraph (2), if any.

(4) If the nursing home's refinancing includes zero coupon bonds, the commissioner shall establish a monthly debt service payment schedule based on an annuity that will produce an amount equal to the zero coupon bonds at maturity. The term and interest rate is the term and interest rate of the zero coupon bonds. Any refinancing to repay the zero coupon bonds is not an allowable cost.

(5) The annual amount of annuity payments is added to the nursing home's allowable annual principal and interest payment computed in paragraph (3).

(6) The property-related payment rate is equal to the amount in paragraph (5), divided by the nursing home's capacity days as determined under Minnesota Rules, part 9549.0060, subpart 11, as modified by subdivision 3f, paragraph (c), for the preceding reporting year plus an equipment allowance.

(7) Except as provided in this subdivision, the provisions of Minnesota Rules, part 9549.0060 apply.

Sec. 58. Minnesota Statutes 1988, section 256B.431, is amended by adding a subdivision to read:

Subd. 3h. [PROPERTY COSTS FOR THE RATE YEAR BEGINNING JULY 1, 1990.] Notwithstanding Minnesota Rules, part 9549.0060, subpart 13, item H, the commissioner shall determine property-related payment rates for nursing homes for the rate year beginning July 1, 1990, as follows:

(a) The property-related payment rate for a nursing home that qualifies under subdivision 3g is the rate determined under that subdivision.

(b) Nursing homes shall be grouped according to the type of property-related payment rate the commissioner determined for the rate year beginning July 1, 1989. A nursing home whose property-related payment rate was determined under Minnesota Rules, part 9549.0060, subpart 13, item A (full rental reimbursement) shall be considered group A. A nursing home whose property-related payment rate was determined under Minnesota Rules, part 9549.0060, subpart 13, item B (phase-down to full rental reimbursement) shall be considered group B. A nursing home whose property-related payment rate was determined under Minnesota Rules, part 9549.0060, subpart 13, item C or D (phase-up to full rental reimbursement) shall be considered group C.

(c) For the rate year beginning July 1, 1990, a Group A nursing home shall receive its property-related payment rate determined under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section.

(d) For the rate year beginning July 1, 1990, a Group B nursing home shall receive the greater of 90.5 percent of the property-related payment rate in effect on July 1, 1989; or the rental per diem rate determined under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section in effect on July 1, 1990; or the sum of 100 percent of the nursing home's allowable principal and interest expense, plus its equipment allowance multiplied by the resident days for the reporting year ending September 30, 1989, divided by the nursing home's capacity days as determined under Minnesota Rules, part 9549.0060, subpart 11, as modified by subdivision 3f, paragraph (c); except that the nursing home's property-related payment rate must not exceed its property-related payment rate in effect on July 1, 1989.

(e) For the rate year beginning July 1, 1990, a Group C nursing home shall receive its property-related payment rate determined under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section, except the rate must not exceed the lesser of its property-related payment rate determined for the rate year beginning July 1,

1989, multiplied by 150 percent or its rental per diem rate determined effective July 1, 1990.

(f) The property-related payment rate for a nursing home that qualifies for a rate adjustment under Minnesota Rules, part 9549.0060, subpart 13, item G (special reappraisals) shall have the property-related payment rate determined in paragraphs (a) to (e) adjusted according to the provisions in that rule.

(g) For the rate year beginning July 1, 1990, a nursing home in the city of Faribault with a construction project approved by the commissioner under the moratorium exception approval process in section 144A.073 prior to February 1, 1990, whose property-related payment rate for the rate year beginning July 1, 1989, was determined under Minnesota Rules, part 9549.0060, subpart 13, item C or D (phase-up to full rental reimbursement) shall have its property-related payment rate determined under Minnesota Rules, part 9549.0060, subpart 13, item A (full rental reimbursement).

Sec. 59. Minnesota Statutes 1988, section 256B.431, is amended by adding a subdivision to read:

Subd. 3i. [PROPERTY RATE ADJUSTMENT FOR REQUIRED IMPROVEMENTS.] The commissioner shall add an adjustment to the property-related payment rate of a certified, freestanding boarding care home reflecting the costs incurred by that nursing home to install a communications system in every room and hallway handrails, as required under the 1987 federal Omnibus Budget Reconciliation Act, Public Law Number 100-203. The property-related payment rate increase is only available if, and to the extent that, the nursing home's existing property-related payment rate, minus the nursing home's allowable principal and interest costs and equipment allowance, is not sufficient to cover the costs of the required improvements. Each nursing home eligible for the adjustment shall submit to the commissioner a detailed estimate of the cost increases the facility will incur to meet the new physical plant requirements. Ten percent of the amount of the costs that are determined by the commissioner to be reasonable for the nursing home to meet the new requirements, divided by resident days, must be added to the nursing home's property-related payment rate. The adjustment shall be added to the property-related payment rate determined under section 256B.431, subdivision 3h. The resulting recalculated property-related payment rate is effective October 1, 1990, or 60 days after a nursing home submits its detailed cost estimate, whichever occurs later.

The adjustment is only available to a certified, freestanding boarding care home that cannot meet the requirements of Public Law Number 100-203 for communications systems and handrails as demonstrated to the satisfaction of the commissioner of health. When the commissioner of human services establishes that it is not

cost effective to upgrade an eligible certified, freestanding boarding care home to the new standards, the commissioner of human services may exclude the certified freestanding boarding care home if it is either an institution for mental disease or a certified, freestanding boarding care home that would have been determined to be an institution for mental disease but for the fact that it has 16 or fewer licensed beds.

Sec. 60. Minnesota Statutes 1988, section 256B.431, is amended by adding a subdivision to read:

Subd. 3j. [SPECIAL PROPERTY RATE.] Notwithstanding any law or rule to the contrary, for rate years beginning July 1, 1990, a nursing home under lease from 1968 until 1983 with a lessee or related party having an option to purchase the nursing home, which option was subsequently exercised, shall be allowed debt and interest costs incurred by the lessee or related party on indebtedness created when the option to purchase was exercised before the end of the 1983 calendar year. The nursing home must demonstrate to the commissioner's satisfaction that the interest rate on the debt was less than market interest rates for similar arms-length transactions at the time the debt was incurred.

Sec. 61. Minnesota Statutes 1989 Supplement, section 256B.431, subdivision 7, is amended to read:

Subd. 7. [ONE-TIME ADJUSTMENT TO NURSING HOME PAYMENT RATES TO COMPLY WITH OMNIBUS BUDGET RECONCILIATION ACT.] The commissioner shall determine a one-time nursing staff adjustment to the payment rate to adjust payment rates to upgrade certain nursing homes' professional nursing staff complement to meet the minimum standards of 1987 Public Law Number 100-203. The adjustments to the payment rates determined under this subdivision cover cost increases to meet minimum standards for professional nursing staff. For a nursing home to be eligible for the payment rate adjustment, a nursing home must have all of its current licensed beds certified solely for the intermediate level of care. When the commissioner establishes that it is not cost effective to upgrade an eligible nursing home to the new minimum staff standards, the commissioner may exclude the nursing home if it is either an institution for mental disease or a nursing home that would have been determined to be an institution for mental disease, but for the fact that it has 16 or fewer licensed beds.

(a) The increased cost of professional nursing for an eligible nursing home shall be determined according to clauses (1) to (4):

(1) subtract from the number 8760 the compensated hours for professional nurses, both employed and contracted, and, if the result is greater than zero, then multiply the result by $4.55;

(2) subtract from the number 2920 the compensated hours for registered nurses, both employed and contracted, and, if the result is greater than zero, then multiply the result by $9.30;

(3) if an eligible nursing home has less than 61 licensed beds, the director of nurses' compensated hours must be included in the compensated hours for professional nurses in clause (1). If the director of nurses is also a registered nurse, the director of nurses' hours must be included in the compensated hours for registered nurses in clause (2); and

(4) the one-time nursing staff adjustment to the payment rate shall be the sum of clauses (1) and (2) as adjusted by clause (3), if appropriate, and then divided by the nursing home's actual resident days for the reporting year ending September 30, 1988.

(b) The one-time nursing staff adjustment to the payment rate is effective from January 1, 1990, to June 30, 1991.

(c) If a nursing home is granted a waiver to the minimum professional nursing staff standards under Public Law Number 100-203 for either the professional nurse adjustment referred to in clause (1), or the registered nurse adjustment in clause (2), the commissioner must recover the portion of the nursing home's payment rate that relates to a one-time nursing staff adjustment granted under this subdivision. The amount to be recovered shall be based on the type and extent of the waiver granted.

(d) Notwithstanding the provisions of paragraph (a), clause (3), if an eligible nursing home has less than 61 licensed beds, the director of nurses' compensated hours must be excluded from the computation of compensated hours for professional nurses and registered nurses in paragraph (a), clauses (1) and (2). The commissioner shall recompute the one-time nursing staff adjustment to the payment rate using the data from the cost report for the reporting year ending September 30, 1989, and the adjustment computed under this paragraph shall replace the adjustment previously computed under this subdivision effective October 1, 1990, and shall be effective for the period October 1, 1990, to June 30, 1992.

Sec. 62. [256B.432] [LONG-TERM CARE FACILITIES; CENTRAL, AFFILIATED, OR CORPORATE OFFICE COSTS.]

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

(a) "Management agreement" means an agreement in which one or more of the following criteria exist:

(1) the central, affiliated, or corporate office has or is authorized to

assume day-to-day operational control of the long-term care facility for any six-month period within a 24-month period. "Day-to-day operational control" means that the central, affiliated, or corporate office has the authority to require, mandate, direct, or compel the employees of the long-term care facility to perform or refrain from performing certain acts, or to supplant or take the place of the top management of the long-term care facility. "Day-to-day operational control" includes the authority to hire or terminate employees or to provide an employee of the central, affiliated, or corporate office to serve as administrator of the long-term care facility;

(2) the central, affiliated, or corporate office performs or is authorized to perform two or more of the following: the execution of contracts; authorization of purchase orders; signature authority for checks, notes, or other financial instruments; requiring the long-term care facility to use the group or volume purchasing services of the central, affiliated, or corporate office; or the authority to make annual capital expenditures for the long-term care facility exceeding $50,000, or $500 per licensed bed, whichever is less, without first securing the approval of the long-term care facility board of directors;

(3) the central, affiliated, or corporate office becomes or is required to become the licensee under applicable state law;

(4) the agreement provides that the compensation for services provided under the agreement is directly related to any profits made by the long-term care facility; or

(5) the long-term care facility entering into the agreement is governed by a governing body that meets fewer than four times a year, that does not publish notice of its meetings, or that does not keep formal records of its proceedings.

(b) "Consulting agreement" means any agreement the purpose of which is for a central, affiliated, or corporate office to advise, counsel, recommend, or suggest to the owner or operator of the nonrelated long-term care facility measures and methods for improving the operations of the long-term care facility.

(c) "Long-term care facility" means a nursing home whose medical assistance rates are determined according to section 256B.431 or an intermediate care facility for persons with mental retardation and related conditions whose medical assistance rates are determined according to section 256B.501.

Subd. 2. [EFFECTIVE DATE.] For rate years beginning on or after July 1, 1990, the central, affiliated, or corporate office cost allocations in subdivisions 3 to 6 must be used when determining medical assistance rates under sections 256B.431 and 256B.501.

Subd. 3. [ALLOCATION; DIRECT IDENTIFICATION OF COSTS OF LONG-TERM CARE FACILITIES; MANAGEMENT AGREEMENT.] All costs that can be directly identified with a specific long-term care facility that is a related organization to the central, affiliated, or corporate office, or that is controlled by the central, affiliated, or corporate office under a management agreement, must be allocated to that long-term care facility.

Subd. 4. [ALLOCATION; DIRECT IDENTIFICATION OF COSTS TO OTHER ACTIVITIES.] All costs that can be directly identified with any other activity or function not described in subdivision 3 must be allocated to that activity or function.

Subd. 5. [ALLOCATION OF REMAINING COSTS; ALLOCATION RATIO.] (a) After the costs that can be directly identified according to subdivisions 3 and 4 have been allocated, the remaining central, affiliated, or corporate office costs must be allocated between the long-term care facility operations and the other activities or facilities unrelated to the long-term care facility operations based on the ratio of expenses.

(b) For purposes of allocating these remaining central, affiliated, or corporate office costs, the numerator for the allocation ratio shall be determined as follows:

(1) for long-term care facilities that are related organizations or are controlled by a central, affiliated, or corporate office under a management agreement, the numerator of the allocation ratio shall be equal to the sum of the total costs incurred by each related organization or controlled long-term care facility;

(2) for a central, affiliated, or corporate office providing goods or services to related organizations that are not long-term care facilities, the numerator of the allocation ratio shall be equal to the sum of the total costs incurred by the non-long-term care related organizations;

(3) for a central, affiliated, or corporate office providing goods or services to unrelated long-term care facilities under a consulting agreement, the numerator of the allocation ratio shall be equal to the greater of directly identified central, affiliated, or corporate costs or the contracted amount; or

(4) for business activities that involve the providing of goods or services to unrelated parties which are not long-term care facilities, the numerator of the allocation ratio shall be equal to the greater of directly identified costs or revenues generated by the activity or function.

(c) The denominator for the allocation ratio is the sum of the numerators in paragraph (b), clauses (1) to (4).

Subd. 6. [COST ALLOCATION BETWEEN LONG-TERM CARE FACILITIES.] (a) Those long-term care operations that have long-term care facilities both in Minnesota and outside of Minnesota must allocate the long-term care operation's central, affiliated, or corporate office costs identified in subdivision 5 to Minnesota based on the ratio of total resident days in Minnesota long-term care facilities to the total resident days in all facilities.

(b) The Minnesota long-term care operation's central, affiliated, or corporate office costs identified in paragraph (a) must be allocated to each Minnesota long-term care facility on the basis of resident days.

Sec. 63. Minnesota Statutes 1988, section 256B.48, is amended by adding a subdivision to read:

Subd. 1c. [CASE MIX RATE FOR PROVIDER WITH ADDENDUM TO PROVIDER AGREEMENT.] A nursing home with an addendum to its provider agreement effective beginning July 8, 1985, or September 24, 1985, shall have its payment rates established by the commissioner under this subdivision. To save medical assistance resources, for rate years beginning after July 1, 1991, the provider's payment rates shall be the payment rates established by the commissioner July 1, 1990, multiplied by a 12-month inflation factor based on the forecasted inflation between the mid-points of rate years using the inflation index applied by the commissioner to other nursing homes.

The provider and the department of health shall complete case mix assessments under Minnesota Rules, chapter 4656, and parts 9549.0058 and 9549.0059, on only those residents receiving medical assistance. The commissioner of health may audit and verify the limited provider assessments at any time.

Sec. 64. Minnesota Statutes 1988, section 256B.48, subdivision 2, is amended to read:

Subd. 2. [REPORTING REQUIREMENTS.] No later than December 31 of each year, a skilled nursing facility or intermediate care facility, including boarding care facilities, which receives medical assistance payments or other reimbursements from the state agency shall:

(a) Provide the state agency with a copy of its audited financial statements. The audited financial statements must include a balance sheet, income statement, statement of the rate or rates charged to private paying residents, statement of retained earnings, ~~statements of changes in financial position (cash and working capital~~

~~methods)~~ statement of cash flows, notes to the financial statements, audited applicable supplemental information, and the certified public accountant's or licensed public accountant's opinion. The examination by the certified public accountant or licensed public accountant shall be conducted in accordance with generally accepted auditing standards as promulgated and adopted by the American Institute of Certified Public Accountants;

(b) Provide the state agency with a statement of ownership for the facility;

(c) Provide the state agency with separate, audited financial statements as specified in clause (a) for every other facility owned in whole or part by an individual or entity which has an ownership interest in the facility;

(d) Upon request, provide the state agency with separate, audited financial statements as specified in clause (a) for every organization with which the facility conducts business and which is owned in whole or in part by an individual or entity which has an ownership interest in the facility;

(e) Provide the state agency with copies of leases, purchase agreements, and other documents related to the lease or purchase of the nursing facility;

(f) Upon request, provide the state agency with copies of leases, purchase agreements, and other documents related to the acquisition of equipment, goods, and services which are claimed as allowable costs; and

(g) Permit access by the state agency to the certified public accountant's and licensed public accountant's audit workpapers which support the audited financial statements required in clauses (a), (c), and (d).

Documents or information provided to the state agency pursuant to this subdivision shall be public. If the requirements of clauses (a) to (g) are not met, the reimbursement rate may be reduced to 80 percent of the rate in effect on the first day of the fourth calendar month after the close of the reporting year, and the reduction shall continue until the requirements are met.

Sec. 65. Minnesota Statutes 1988, section 256B.49, is amended by adding a subdivision to read:

Subd. 3. [CONTINUED SERVICES FOR PERSONS OVER AGE 65.] Persons who are found eligible for services under this section before their 65th birthday may remain eligible for these services after their 65th birthday if they meet all other eligibility factors.

Sec. 66. Minnesota Statutes 1989 Supplement, section 256B.495, subdivision 1, is amended to read:

Subdivision 1. [PAYMENT OF RECEIVERSHIP FEES.] The commissioner in consultation with the commissioner of health may establish a receivership fee payment that exceeds a long-term care facility payment rate when the commissioner of health determines a long-term care facility is subject to the receivership provisions under section 144A.14 or 144A.15 or the commissioner of human services determines that a facility is subject to the receivership under section 245A.12 or 245A.13. In establishing the receivership fee payment, the commissioner must reduce the receiver's requested receivership fee by amounts that the commissioner determines are included in the long-term care facility's payment rate and that can be used to cover part or all of the receivership fee. Amounts that can be used to reduce the receivership fee shall be determined by reallocating facility staff or costs that were formerly paid by the long-term care facility before the receivership and are no longer required to be paid. The amounts may include any efficiency incentive, allowance, and other amounts not specifically required to be paid for expenditures of the long-term care facility.

If the receivership fee cannot be covered by amounts in the long-term care facility's payment rate, a receivership fee payment shall be set according to paragraphs (a) and (b) and payment shall be according to paragraphs (c) to (e).

(a) The receivership fee per diem shall be determined by dividing the annual receivership fee payment by the long-term care facility's resident days from the most recent cost report for which the commissioner has established a payment rate or the estimated resident days in the projected receivership fee period.

(b) The receivership fee per diem shall be added to the long-term care facility's payment rate.

(c) Notification of the payment rate increase must meet the requirements of section 256B.47, subdivision 2.

(d) The payment rate in paragraph (b) for a nursing home shall be effective the first day of the month following the receiver's compliance with the notice conditions in paragraph (c). The payment rate in paragraph (b) for an intermediate care facility for the mentally retarded shall be effective on the first day of the rate year in which the receivership fee per diem is determined.

(e) The commissioner may elect to make a lump sum payment of a portion of the receivership fee to the receiver or managing agent. In this case, the commissioner and the receiver or managing agent shall agree to a repayment plan. Regardless of whether the commis-

sioner makes a lump sum payment under this paragraph, the provisions of paragraphs (a) to (d) and subdivision 2 also apply.

Sec. 67. Minnesota Statutes 1988, section 256B.50, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] A provider may appeal from a determination of a payment rate established pursuant to this chapter and reimbursement rules of the commissioner if the appeal, if successful, would result in a change to the provider's payment rate or to the calculation of maximum charges to therapy vendors as provided by section 256B.433, subdivision 2. Appeals must be filed in accordance with procedures in this section. This section does not apply to a request from a resident or nursing home for reconsideration of the classification of a resident under section 144.0722.

Sec. 68. Minnesota Statutes 1988, section 256B.50, subdivision 1b, is amended to read:

Subd. 1b. [FILING AN APPEAL.] To appeal, the provider shall file with the commissioner a written notice of appeal; the appeal must be received by the commissioner within 60 days of the date the determination of the payment rate was mailed. The notice of appeal must specify each disputed item; the reason for the dispute; the total dollar amount ~~and the dollar amount per bed~~ in dispute for each separate disallowance, allocation, or adjustment of each cost item or part of a cost item; the computation that the provider believes is correct; the authority in statute or rule upon which the provider relies for each disputed item; the name and address of the person or firm with whom contacts may be made regarding the appeal; and other information required by the commissioner.

Sec. 69. Minnesota Statutes 1988, section 256B.501, subdivision 3c, is amended to read:

Subd. 3c. [COMPOSITE FORECASTED INDEX.] For rate years beginning on or after October 1, 1988, the commissioner shall establish a statewide composite forecasted index to take into account economic trends and conditions between the midpoint of the facility's reporting year and the midpoint of the rate year following the reporting year. The statewide composite index must incorporate the forecast by Data Resources, Inc. of increases in the average hourly earnings of nursing and personal care workers indexed in Standard Industrial Code 805 in "Employment and Earnings," published by the Bureau of Labor Statistics, United States Department of Labor. This portion of the index must be weighted annually by the proportion of total allowable salaries and wages to the total allowable operating costs in the program, maintenance, and administrative operating cost categories for all facilities.

For adjustments to the other operating costs in the program,

maintenance, and administrative operating cost categories, the statewide index must incorporate the Data Resources, Inc. forecast for increases in the national CPI-U. This portion of the index must be weighted annually by the proportion of total allowable other operating costs to the total allowable operating costs in the program, maintenance, and administrative operating cost categories for all facilities. The commissioner shall use the indices as forecasted by Data Resources, Inc., in the fourth quarter of the reporting year.

For rate years beginning on or after October 1, 1990, the commissioner shall index a facility's allowable operating costs in the program, maintenance, and administrative operating cost categories by using Data Resources, Inc., forecast for change in the Consumer Price Index-All Items (U.S. city average) (CPI-U). The commissioner shall use the indices as forecasted by Data Resources, Inc., in the first quarter of the calendar year in which the rate year begins.

Sec. 70. Minnesota Statutes 1988, section 256B.501, subdivision 3e, is amended to read:

Subd. 3e. [INCREASE IN LIMITS.] For rate years beginning on or after October 1, 1990, the commissioner shall increase the administrative cost per licensed bed limit in subdivision 3d, paragraph (c), and the maintenance operating cost limit in Minnesota Rules, part 9553.0050, subpart 1, item A, subitem (2), by multiplying the administrative operating cost per bed limit and the maintenance operating cost limit by the ~~composite~~ forecasted index in subdivision 3c except that the index shall be based on the 12 months between the midpoints of the two preceding reporting years.

Sec. 71. Minnesota Statutes 1988, section 256B.501, is amended by adding a subdivision to read:

Subd. 11. [INVESTMENT PER BED LIMITS, INTEREST EXPENSE LIMITATIONS, AND ARMS-LENGTH LEASES.] (a) The provisions of Minnesota Rules, part 9553.0075, except as modified under this subdivision, shall apply to newly constructed or established facilities that are certified for medical assistance on or after May 1, 1990.

(b) For purposes of establishing payment rates under this subdivision and Minnesota Rules, parts 9553.0010 to 9553.0080, the term "newly constructed or newly established" means a facility (1) for which a need determination has been approved by the commissioner under sections 252.28 and 252.291; (2) whose program is newly licensed under Minnesota Rules, parts 9525.0215 to 9525.0355, and certified under Code of Federal Regulations, title 42, section 442.400, et seq.; and (3) that is part of a proposal that meets the requirements of section 252.291, subdivision 2, paragraph (2). The term does not include a facility for which a need determination was

granted solely for other reasons such as the relocation of a facility; a change in the facility's name, program, number of beds, type of beds, or ownership; or the sale of a facility, unless the relocation of a facility to one or more service sites is the result of a closure of a facility under section 252.292, in which case clause (3) shall not apply. The term does include a facility that converts more than 50 percent of its licensed beds from class A to class B residential or class B institutional to serve persons discharged from state regional treatment centers on or after May 1, 1990, in which case, clause (3) does not apply.

(c) Newly constructed or newly established facilities that are certified for medical assistance on or after May 1, 1990, shall be allowed the capital asset investment per bed limits as provided in clauses (1) to (4).

(1) The 1990 calendar year investment per bed limit for a facility's land must not exceed $5,700 per bed for newly constructed or newly established facilities in Hennepin, Ramsey, Anoka, Washington, Dakota, Scott, Carver, Chisago, Isanti, Wright, Benton, Sherburne, Stearns, St. Louis, Clay, and Olmsted counties, and must not exceed $3,000 per bed for newly constructed or newly established facilities in other counties.

(2) The 1990 calendar year investment per bed limit for a facility's depreciable capital assets must not exceed $44,800 for class B residential beds, and $45,200 for class B institutional beds.

(3) The investment per bed limit in clause (2) must not be used in determining the three-year average percentage increase adjustment in Minnesota Rules, part 9553.0060, subpart 1, item C, subitem (4), for facilities that were newly constructed or newly established before May 1, 1990.

(4) The investment per bed limits in clause (2) shall be adjusted annually beginning January 1, 1991, and each January 1 following, as provided in Minnesota Rules, part 9553.0060, subpart 1, item C, subitem (2).

(d) A newly constructed or newly established facility's interest expense limitation as provided for in Minnesota Rules, part 9553.0060, subpart 3, item F, on capital debt for capital assets acquired during the interim or settle-up period, shall be increased by 2.5 percentage points for each full .25 percentage points that the facility's interest rate on its mortgage is below the maximum interest rate as established in Minnesota Rules, part 9553.0060, subpart 2, item A, subitem (2). For all following rate periods, the interest expense limitation on capital debt in Minnesota Rules, part 9553.0060, subpart 3, item F, shall apply to the facility's capital assets acquired, leased, or constructed after the interim or settle-up period. If a newly constructed or newly established facility is

acquired by the state, the limitations of this paragraph and Minnesota Rules, part 9553.0060, subpart 3, item F, shall not apply.

(e) If a newly constructed or newly established facility is leased with an arms-length lease as provided for in Minnesota Rules, part 9553.0060, subpart 7, the lease agreement shall be subject to the following conditions:

(1) the term of the lease, including option periods, must not be less than 20 years;

(2) the maximum interest rate used in determining the present value of the lease must not exceed the lesser of the interest rate limitation in Minnesota Rules, part 9553.0060, subpart 2, item A, subitem (2), or 16 percent; and

(3) the residual value used in determining the net present value of the lease must be established using the provisions of Minnesota Rules, part 9553.0060.

(f) All leases of the physical plant of an intermediate care facility for the mentally retarded shall contain a clause that requires the owner to give the commissioner notice of any requests or orders to vacate the premises 90 days before such vacation of the premises is to take place. In the case of unlawful detainer actions, the owner shall notify the commissioner within three days of notice of an unlawful detainer action being served upon the tenant. The only exception to this notice requirement is in the case of emergencies where immediate vacation of the premises is necessary to assure the safety and welfare of the residents. In such an emergency situation, the owner shall give the commissioner notice of the vacation request at the time the owner of the property is aware that the vacating of the premises is necessary. This paragraph applies to all leases entered into after the effective date of this section. Rentals set in leases entered into after that date that do not contain this clause are not allowable costs for purposes of medical assistance reimbursement.

(g) A newly constructed or newly established facility's preopening costs are subject to the provisions of Minnesota Rules, part 9553.0035, subpart 12, and must be limited to only those costs incurred during one of the following periods, whichever is shorter:

(1) between the date the commissioner approves the facility's need determination and 30 days before the date the facility is certified for medical assistance; or

(2) the 12-month period immediately preceding the 30 days before the date the facility is certified for medical assistance.

Sec. 72. Minnesota Statutes 1988, section 256B.69, subdivision 3, is amended to read:

Subd. 3. [GEOGRAPHIC AREA.] The commissioner shall designate the geographic areas in which eligible individuals may be included in the ~~demonstration project. The geographic areas may include one urban, one suburban, and one rural county. In order to encourage the participation of long-term care providers, the project area may be expanded beyond the designated counties for eligible individuals over age 65~~ medical assistance prepayment programs.

Sec. 73. Minnesota Statutes 1989 Supplement, section 256B.69, subdivision 16, is amended to read:

Subd. 16. [PROJECT EXTENSION.] Minnesota Rules, parts 9500.1450; 9500.1451; 9500.1452; 9500.1453; 9500.1454; 9500.1455; 9500.1456; 9500.1457; 9500.1458; 9500.1459; 9500.1460; 9500.1461; 9500.1462; 9500.1463; and 9500.1464 are extended ~~until December 31, 1990~~.

Sec. 74. Minnesota Statutes 1988, section 256D.03, subdivision 3, is amended to read:

Subd. 3. [GENERAL ASSISTANCE MEDICAL CARE; ELIGIBILITY.] (a) General assistance medical care may be paid for any person:

(1) who is ~~eligible for~~ receiving assistance under section 256D.05 or 256D.051 and is not eligible for medical assistance under chapter 256B including eligibility for medical assistance based on a spend-down of excess income according to section 256B.056, subdivision 5; or

(2)(i) who is a resident of Minnesota; and whose equity in assets is not in excess of $1,000 per assistance unit. Exempt assets, the reduction of excess assets, and the waiver of excess assets must conform to the medical assistance program in chapter 256B; and

(ii) who has countable income not in excess of the assistance standards established in section 256B.056, subdivision 4, or whose excess income is spent down pursuant to section 256B.056, subdivision 5, using a six-month budget period except that for recipients residing in a long-term care facility, a one-month budget period must be used. The method for calculating earned income disregards and deductions for a person who resides with a dependent child under age 21 shall be as specified in section 256.74, subdivision 1. However, if a disregard of $30 and one-third of the remainder described in section 256.74, subdivision 1, clause (5), has been applied to the wage earner's income, the disregard shall not be applied again until the wage earner's income has not been considered in an eligibility determination for general assistance, general

assistance medical care, medical assistance, or aid to families with dependent children for 12 consecutive months. The earned income and work expense deductions for a person who does not reside with a dependent child under age 21 shall be the same as the method used to determine eligibility for a person under section 256D.06, subdivision 1, except ~~for~~ the disregard of the first $50 of earned income is not allowed; or

(3) who is over age 18 and who would be eligible for medical assistance except that the person resides in a facility that is determined by the commissioner or the federal health care financing administration to be an institution for mental diseases.

(b) Eligibility is available for the month of application and for three months prior to application if the person was eligible in those prior months. A redetermination of eligibility must occur every 12 months.

(c) General assistance medical care may be paid for a person, regardless of age, who is detained by law for less than one year in a county correctional or detention facility as a person accused or convicted of a crime, or admitted as an inpatient to a hospital on a criminal hold order, if the person is a recipient of general assistance medical care at the time the person is detained by law or admitted on a criminal hold order and as long as the person continues to meet other eligibility requirements of this subdivision.

(d) General assistance medical care is not available for applicants or recipients who do not cooperate with the local agency to meet the requirements of medical assistance.

(e) In determining the amount of assets of an individual, there shall be included any asset or interest in an asset, including an asset excluded under paragraph (a), that was given away, sold, or disposed of for less than fair market value within the 30 months preceding application for general assistance medical care or during the period of eligibility. Any transfer described in this paragraph shall be presumed to have been for the purpose of establishing eligibility for general assistance medical care, unless the individual furnishes convincing evidence to establish that the transaction was exclusively for another purpose. For purposes of this paragraph, the value of the asset or interest shall be the fair market value at the time it was given away, sold, or disposed of, less the amount of compensation received. For any uncompensated transfer, the number of months of ineligibility, including partial months, shall be calculated by dividing the uncompensated transfer amount by the average monthly per person payment made by the medical assistance program to skilled nursing facilities for the previous calendar year. The individual shall remain ineligible until this fixed period has expired. The period of ineligibility may exceed 30 months, and a reapplication for benefits after 30 months from the date of the transfer shall not

result in eligibility unless and until the period of ineligibility has expired. The period of ineligibility begins in the month the transfer was reported to the local agency, or if the transfer was not reported, the month in which the local agency discovered the transfer, whichever comes first. For applicants, the period of ineligibility begins on the date of the first approved application.

Sec. 75. Minnesota Statutes 1989 Supplement, section 256D.03, subdivision 4, is amended to read:

Subd. 4. [GENERAL ASSISTANCE MEDICAL CARE; SERVICES.] (a) Reimbursement under the general assistance medical care program shall be limited to the following categories of service: inpatient hospital care, outpatient hospital care, services provided by Medicare certified rehabilitation agencies, prescription drugs, equipment necessary to administer insulin and diagnostic supplies and equipment for diabetics to monitor blood sugar level, eyeglasses and eye examinations provided by a physician or optometrist, hearing aids, prosthetic devices, laboratory and X-ray services, physician's services, medical transportation, chiropractic services as covered under the medical assistance program, podiatric services, and dental care. In addition, payments of state aid shall be made for:

(1) outpatient services provided by a mental health center or clinic that is under contract with the county board and is ~~certified under Minnesota Rules, parts 9520.0010 to 9520.0230~~ established under section 245.62;

(2) day treatment services for mental illness provided under contract with the county board;

(3) prescribed medications for persons who have been diagnosed as mentally ill as necessary to prevent more restrictive institutionalization;

(4) case management services for a person with serious and persistent mental illness who would be eligible for medical assistance except that the person resides in an institution for mental diseases;

(5) psychological services, medical supplies and equipment, and Medicare premiums, coinsurance and deductible payments for a person who would be eligible for medical assistance except that the person resides in an institution for mental diseases; and

(6) equipment not specifically listed in this paragraph when the use of the equipment will prevent the need for costlier services that are reimbursable under this subdivision.

(b) In order to contain costs, the commissioner of human services

shall select vendors of medical care who can provide the most economical care consistent with high medical standards and shall where possible contract with organizations on a prepaid capitation basis to provide these services. The commissioner shall consider proposals by counties and vendors for prepaid health plans, competitive bidding programs, block grants, or other vendor payment mechanisms designed to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary services are provided. Before implementing prepaid programs in counties with a county operated or affiliated public teaching hospital or a hospital or clinic operated by the University of Minnesota, the commissioner shall consider the risks the prepaid program creates for the hospital and allow the county or hospital the opportunity to participate in the program in a manner that reflects the risk of adverse selection and the nature of the patients served by the hospital, provided the terms of participation in the program are competitive with the terms of other participants considering the nature of the population served. Payment for services provided pursuant to this subdivision shall be as provided to medical assistance vendors of these services under sections 256B.02, subdivision 8, and 256B.0625. For payments made during fiscal year 1990 and later years, the commissioner shall contract with an independent actuary to establish prepayment rates.

(c) The commissioner of human services 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.

For the period July 1, 1985, to December 31, 1985, reductions below the cost per service unit allowable under section 256.966, are 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 30 percent; payments for all other inpatient hospital care may be reduced no more than 20 percent. Reductions below the payments allowable under general assistance medical care for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than ten percent.

For the period January 1, 1986, to December 31, 1986, reductions below the cost per service unit allowable under section 256.966 are 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 20 percent; payments for all other inpatient hospital care may be reduced no more than 15 percent. Reductions below the payments allowable under general assistance medical care for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

For the period January 1, 1987, to June 30, 1987, reductions below the cost per service unit allowable under section 256.966 are 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 15 percent; payments for all other inpatient hospital care may be reduced no more than ten percent. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

For the period July 1, 1987, to June 30, 1988, reductions below the cost per service unit allowable under section 256.966 are 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 15 percent; payments for all other inpatient hospital care may be reduced no more than five percent. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

For the period July 1, 1988, to June 30, 1989, reductions below the cost per service unit allowable under section 256.966 are 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 15 percent; payments for all other inpatient hospital care may not be reduced. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

There shall be no copayment required of any recipient of benefits for any services provided under this subdivision. A hospital receiving a reduced payment as a result of this section may apply the unpaid balance toward satisfaction of the hospital's bad debts.

(d) Any county may, from its own resources, provide medical payments for which state payments are not made.

(e) Chemical dependency services that are reimbursed under Laws 1986, chapter 394, sections 8 to 20, must not be reimbursed under general assistance medical care.

(f) The maximum payment for new vendors enrolled in the general assistance medical care program after the base year shall be determined from the average usual and customary charge of the same vendor type enrolled in the base year.

(g) The conditions of payment for services under this subdivision are the same as the conditions specified in rules adopted under

chapter 256B governing the medical assistance program, unless otherwise provided by statute or rule.

Sec. 76. Minnesota Statutes 1989 Supplement, section 256D.03, subdivision 6, is amended to read:

Subd. 6. [DIVISION OF COSTS.] The state share of local agency expenditures for general assistance medical care shall be 90 percent and the county share shall be ten percent. Payments made under this subdivision shall be made in accordance with sections 256B.041, subdivision 5 and 256B.19, subdivision 1. In counties where a pilot or demonstration project is operated for general assistance medical care services, the state may pay 100 percent of the costs of administering the pilot or demonstration project. Reimbursement for these costs is subject to section 256.025.

Beginning July 1, 1991, the state will reimburse counties according to the payment schedule in section 256.025 for the county share of costs incurred under this subdivision from January 1, 1991, on. Payment to counties under this subdivision is subject to the provisions of section 256.017.

Notwithstanding any provision to the contrary, beginning July 1, 1991, the state shall pay 100 percent of the costs for centralized claims processing by the department of administration relative to claims beginning January 1, 1991, and submitted on behalf of general assistance medical care recipients by vendors in the general assistance medical care program.

Beginning July 1, 1991, the state shall reimburse counties up to the limit of state appropriations for general assistance medical care common carrier transportation and related travel expenses provided for medical purposes after December 31, 1990. Reimbursement shall be provided according to the payment schedule set forth in section 256.025. For purposes of this subdivision, transportation shall have the meaning given it in Code of Federal Regulations, title 42, section 440.170(a), as amended through October 1, 1987, and travel expenses shall have the meaning given in Code of Federal Regulations, title 42, section 440.170(a)(3), as amended through October 1, 1987.

The county shall ensure that only the least costly most appropriate transportation and travel expenses are used. The state may enter into volume purchase contracts, or use a competitive bidding process, whenever feasible, to minimize the costs of transportation services. If the state has entered into a volume purchase contract or used the competitive bidding procedures of chapter 16B to arrange for transportation services, the county may be required to use such arrangements to be eligible for state reimbursement for general assistance medical care common carrier transportation and related travel expenses provided for medical purposes.

In counties where prepaid health plans are under contract to the commissioner to provide services to general assistance medical care recipients, the cost of court ordered treatment that does not include diagnostic evaluation, recommendation, or referral for treatment by the prepaid health plan is the responsibility of the county of financial responsibility.

Sec. 77. Minnesota Statutes 1988, section 256D.03, subdivision 7, is amended to read:

Subd. 7. [DUTIES OF THE COMMISSIONER.] The commissioner shall promulgate emergency and permanent rules as necessary to establish:

(a) standards of eligibility, utilization of services, and payment levels;

(b) standards for quality assurance, surveillance, and utilization review procedures that conform to those established for the medical assistance program pursuant to chapter 256B, including general criteria and procedures for the identification and prompt investigation of suspected fraud, theft, abuse, presentment of false or duplicate claims, presentment of claims for services not medically necessary, or false statements or representations of material facts by a vendor or recipient of general assistance medical care, and for the imposition of sanctions against such vendor or recipient of medical care. The rules relating to sanctions shall be consistent with the provisions of section 256B.064, subdivisions 1a and 2; and

(c) administrative and fiscal procedures for payment of the state share of the medical costs incurred by the counties under section 256D.02, subdivision 4a. Rules promulgated pursuant to this clause may include: (1) procedures by which state liability for the costs of medical care incurred pursuant to section 256D.02, subdivision 4a may be deducted from county liability to the state under any other public assistance program authorized by law; (2) procedures for processing claims of counties for reimbursement by the state for expenditures for medical care made by the counties pursuant to section 256D.02, subdivision 4a; and (3) procedures by which the local agencies may contract with the commissioner of human services for state administration of general assistance medical care payments.

Sec. 78. Minnesota Statutes 1988, section 518.171, subdivision 1, is amended to read:

Subdivision 1. [ORDER.] Unless the obligee has comparable or better group dependent health insurance coverage available at a more reasonable cost, the court shall order the obligor to name the minor child as beneficiary on any health and dental insurance plan that is available to the obligor on a group basis or through an

employer or union. "Health insurance coverage" as used in this section does not include medical assistance provided under chapter 256, 256B, or 256D.

If the court finds that dependent health or dental insurance is not available to the obligor on a group basis or through an employer or union, or that the group insurer is not accessible to the obligee, the court may require the obligor to obtain dependent health or dental insurance, or to be liable for reasonable and necessary medical or dental expenses of the child.

If the court finds that the dependent health or dental insurance required to be obtained by the obligor does not pay all the reasonable and necessary medical or dental expenses of the child, or that the dependent health or dental insurance available to the obligee does not pay all the reasonable and necessary medical or dental expenses of the child, and the court finds that the obligor has the financial ability to contribute to the payment of these medical or dental expenses, the court shall require the obligor to be liable for all or a portion of the medical or dental expenses of the child not covered by the required health or dental plan.

Sec. 79. Minnesota Statutes 1988, section 518.171, subdivision 3, is amended to read:

Subd. 3. [IMPLEMENTATION.] A copy of the court order for insurance coverage shall be forwarded to the obligor's employer or union by the obligee or the public authority responsible for support enforcement only when ordered by the court or when the following conditions are met:

(1) the obligor fails to provide written proof to the obligee or the public authority, within 30 days of receiving effective notice of the court order, that the insurance has been obtained or that application for insurability has been made;

(2) the obligee or the public authority serves written notice of its intent to enforce medical support on the obligor by mail at the obligor's last known post office address; and

(3) the obligor fails within 15 days after the mailing of the notice to provide written proof to the obligee or the public authority that the insurance coverage existed as of the date of mailing.

The employer or union shall forward a copy of the order to the health and dental insurance plan offered by the employer.

Sec. 80. Minnesota Statutes 1988, section 518.171, subdivision 4, is amended to read:

Subd. 4. [EFFECT OF ORDER.] The order is binding on the employer or union and the health and dental insurance plan when service under subdivision 3 has been made. Upon receipt of the order, or upon application of the obligor pursuant to the order, the employer or union and its health and dental insurance plan shall enroll the minor child as a beneficiary in the group insurance plan and withhold any required premium from the obligor's income or wages. If more than one plan is offered by the employer or union, the child shall be enrolled in the insurance plan in which the obligor is enrolled or the least costly plan otherwise available to the obligor that is comparable to a number two qualified plan. Failure of the obligor to execute any documents necessary to enroll the dependent in the group health and dental insurance plan will not affect the obligation of the employer or union and group health and dental insurance plan to enroll the dependent in a plan for which other eligibility requirements are met. Information and authorization provided by the public authority responsible for child support enforcement, or by the custodial parent or guardian, is valid for the purposes of meeting enrollment requirements of the health plan. The insurance coverage for a child eligible under subdivision 5 shall not be terminated except as authorized in subdivision 5.

Sec. 81. Minnesota Statutes 1988, section 518.171, subdivision 7, is amended to read:

Subd. 7. [RELEASE OF INFORMATION.] When an order for dependent insurance coverage is in effect, the obligor's employer or union shall release to the obligee or the public authority, upon request, information on the dependent coverage, including the name of the insurer. Notwithstanding any other law, information reported pursuant to section 268.121 shall be released to the public agency responsible for support enforcement that is enforcing an order for medical or dental insurance coverage under this section. The public agency responsible for support enforcement is authorized to release to the obligor's insurer or employer information necessary to obtain or enforce medical support.

Sec. 82. Laws 1988, chapter 689, article 2, section 256, subdivision 3, is amended to read:

Subd. 3. [REPORT.] The commissioner shall monitor and evaluate the pilot projects and report to the legislature by January 31, ~~1991~~ 1993. The report must address at least the following:

(1) the extent to which each pilot project succeeded in moving elderly persons out of nursing homes into less restrictive settings or in delaying placement in a nursing home;

(2) the ability of each project to target low-income, frail elderly;

(3) the cost-effectiveness of each project, including the financial impact on the resident, the state, and the county;

(4) the success of each project in meeting other goals established by the commissioner; and

(5) recommendations on whether the pilot projects should be continued or expanded.

Sec. 83. [RECOMMENDATIONS REGARDING PROPERTY COST PAYMENTS.]

By December 15, 1990, the rule 50 property reimbursement advisory task force under the convening authority of the commissioner of state planning shall recommend to the legislature a new system for determining property-related payment rates for nursing homes. The system recommended by the advisory task force must not increase total medical assistance spending for nursing home property costs. The system must be designed to:

(1) reimburse nursing homes for their legitimate and reasonable property-related costs;

(2) permit appropriate sales of facilities within reasonable limitations;

(3) allow for the reasonable accumulation of funds to replace capital assets;

(4) take into consideration Medicare principles and required state plan assurances;

(5) provide equitable treatment of facilities;

(6) establish limitations on investment per bed; and

(7) encourage long-term ownership of nursing facilities through providing a return on an owner's actual investment which is related to the length of ownership at the time of an arm's length sale.

Sec. 84. [FULL FUNDING POLICY FOR THE WIC PROGRAM.]

The WIC program is an effective method of ensuring that the basic nutritional needs of low-income pregnant women and small children are met. Therefore the goal of the legislature is to achieve, by July 1, 1993, a level of funding that will be sufficient to serve all persons in the state who are eligible for the program.

Sec. 85. [FEDERAL WAIVER TO REDUCE THE FREQUENCY

OF ELIGIBILITY REDETERMINATIONS FOR INFANTS ON MEDICAL ASSISTANCE.]

The commissioner of human services shall seek federal approval to eliminate eligibility redeterminations for pregnant women and infants eligible for medical assistance under Minnesota Statutes, section 256B.055, subdivisions 6 and 10, until one year after the birth of the child. The commissioner shall begin the process of seeking federal approval no later than December 31, 1990.

Sec. 86. [PRENATAL CARE AND PREVENTIVE CARE FOR CHILDREN.]

The commissioner of health, in consultation with the commissioner of human services, the commissioner of state planning, and the commissioner of education, shall prepare a state plan to improve utilization rates of medically appropriate prenatal care and preventive care for children. The plan must address at least the following issues: (1) methods of addressing barriers such as the need for child care and transportation; (2) techniques for improving public awareness of the need for prenatal care and preventive care, both statewide and within high risk target populations; and (3) strategies for overcoming cultural factors that may discourage minority populations from obtaining medically appropriate prenatal care and preventive care. To the extent possible, the commissioner shall identify methods of improving access and utilization rates that would not require a significant increase in legislative appropriations, such as reallocation of existing money, coordination and increased efficiency of existing programs, techniques for generating private contributions or federal money, and increased use of volunteers and donated services and facilities. The commissioner shall also include in the plan an analysis of the extent to which improved utilization rates, both statewide and within target populations, could result in cost savings in the medical assistance program, the general assistance medical care program, and the children's health plan. The commissioner shall present the plan to the governor and the legislature by December 15, 1990. It is the intent of the legislature to enact legislation to implement the plan during the 1991 session.

Sec. 87. [CONSUMER AWARENESS CAMPAIGN.]

The department of commerce shall establish a consumer awareness campaign to inform the public of cost effective strategies for the purchase of affordable health insurance. The department of commerce may accept public and private funds to establish and promote this consumer awareness campaign.

Sec. 88. [CITATION.]

Sections 2, 3, 6 to 8, 9, 10, 29, and 84 to 87 may be cited as the "better beginnings act."

Sec. 89. [REPEALER.]

Subdivision 1. [MEDICAL ASSISTANCE; MEDICALLY NEEDY PERSONS.] Minnesota Statutes 1989 Supplement, section 256B.055, subdivision 8, is repealed.

Subd. 2. [MEDICAL ASSISTANCE; SWING BEDS.] The amendments to Minnesota Statutes, section 256B.0625, subdivision 2, in Laws 1989, chapter 282, article 3, section 54, are repealed, and the stricken language is reenacted.

Subd. 3. [MEDICAL ASSISTANCE; NURSING HOMES.] Minnesota Statutes 1988, sections 256B.431, subdivisions 3, 3b, 3c, and 3d; and 256B.50, subdivision 2; and Minnesota Statutes 1989 Supplement, section 256B.431, subdivisions 3a and 3f, are repealed effective July 1, 1991.

Sec. 90. [EFFECTIVE DATES.]

Subdivision 1. [CLAIMS AGAINST THE ESTATE.] Section 53 is effective for all claims filed for deaths occurring on and after the date of enactment.

Subd. 2. [PROHIBITED TRANSFERS OF PROPERTY.] Section 35 is effective the day after final enactment.

Subd. 3. [HOME CARE SERVICES; MEDICAL ASSISTANCE.] Section 46 is effective July 1, 1990.

Subd. 4. [SWING BEDS.] Section 89, subdivision 2, is effective the day following final enactment.

Subd. 5. [CHILDREN'S HEALTH PLAN.] Sections 9 and 10 are effective August 1, 1990.

Subd. 6. [SPECIAL PROPERTY RATE; NURSING HOMES.] Section 60 is effective the day following final enactment.

Subd. 7. [ADVISORY COMMITTEE ON TRANSPLANTS.] Section 47 is effective the day following final enactment.

ARTICLE 4

INCOME MAINTENANCE

Section 1. Minnesota Statutes 1988, section 256.73, subdivision 2, is amended to read:

Subd. 2. [ALLOWANCE BARRED BY OWNERSHIP OF PROPERTY.] Ownership by an assistance unit of property as follows is a bar to any allowance under sections 256.72 to 256.87:

(1) The value of real property other than the homestead, which when combined with other assets exceeds the limits of paragraph (2), unless the assistance unit is making a good faith effort to sell the nonexcludable real property. The time period for disposal must not exceed nine months and the assistance unit shall execute an agreement to dispose of the property to repay assistance received during the nine months up to the amount of the net sale proceeds. The payment must be made when the property is sold. If the property is not sold within the required time or the assistance unit becomes ineligible for any reason the entire amount received during the nine months is an overpayment and subject to recovery. For the purposes of this section, "homestead" means the home ~~owned and occupied by the child, relative, or other member of the assistance unit as a dwelling place,~~ that is owned by, and is the usual residence of, the child, relative, or other member of the assistance unit together with the surrounding property which is not separated from the home by intervening property owned by others. "Usual residence" includes the home from which the child, relative, or other members of the assistance unit is temporarily absent due to an employability development plan approved by the local human service agency, which includes education, training, or job search within the state but outside of the immediate geographic area. Public rights-of-way, such as roads which run through the surrounding property and separate it from the home, will not affect the exemption of the property; or

(2) Personal property of an equity value in excess of $1,000 for the entire assistance unit, exclusive of personal property used as the home, one motor vehicle of an equity value not exceeding $1,500 or the entire equity value of a motor vehicle determined to be necessary for the operation of a self-employment business, one burial plot for each member of the assistance unit, one prepaid burial contract with an equity value of no more than $1,000 for each member of the assistance unit, clothing and necessary household furniture and equipment and other basic maintenance items essential for daily living, in accordance with rules promulgated by and standards established by the commissioner of human services.

Sec. 2. Minnesota Statutes 1989 Supplement, section 256.73, subdivision 3a, is amended to read:

Subd. 3a. [PERSONS INELIGIBLE.] No assistance shall be given under sections 256.72 to 256.87:

(1) on behalf of any person who is receiving supplemental security income under title XVI of the Social Security Act unless permitted by federal regulations;

(2) for any month in which the assistance unit's gross income, without application of deductions or disregards, exceeds 185 percent of the standard of need for a family of the same size and composition; except that the earnings of a dependent child who is a full-time student may be disregarded for six calendar months per year and the earnings of a dependent child who is a full-time student that are derived from the jobs training and partnership act may be disregarded for six calendar months per year. If a stepparent's income is taken into account in determining need, the disregards specified in section 256.74, subdivision 1a, shall be applied to determine income available to the assistance unit before calculating the unit's gross income for purposes of this paragraph;

(3) to any assistance unit for any month in which any caretaker relative with whom the child is living is, on the last day of that month, participating in a strike;

(4) on behalf of any other individual in the assistance unit, nor shall the individual's needs be taken into account for any month in which, on the last day of the month, the individual is participating in a strike;

(5) on behalf of any individual who is the principal earner in an assistance unit whose eligibility is based on the unemployment of a parent when the principal earner, without good cause, fails or refuses ~~to seek work, to participate in the job search program under section 256.736, or a community work experience program under section 256.737 if this program is available and participation is mandatory in the county,~~ to accept employment, or to register with a public employment office, unless the principal earner is exempt from these work requirements.

Sec. 3. Minnesota Statutes 1988, section 256.736, subdivision 1a, is amended to read:

Subd. 1a. [DEFINITIONS.] As used in this section and section 256.7365, the following words have the meanings given them:

(a) "AFDC" means aid to families with dependent children.

(b) "AFDC-UP" means that group of AFDC clients who are eligible for assistance by reason of unemployment as defined by the commissioner under section 256.12, subdivision 14.

(c) "Caretaker" means a parent or eligible adult, including a pregnant woman, who is part of the assistance unit that has applied for or is receiving AFDC.

(d) "Employment and training services" means programs, activities, and services related to job training ~~and~~, job placement, and job creation, including job service programs, job training partnership act programs, wage subsidies, remedial and secondary education programs, post-secondary education programs excluding education leading to a post-baccalaureate degree, vocational education programs, ~~work incentive programs,~~ work readiness programs, ~~employment~~ job search, counseling, case management, community work experience programs, displaced homemaker programs, self-employment programs, grant diversion, employment experience programs, youth employment programs, community investment programs, ~~supported work programs,~~ refugee employment and training programs, and counseling and support activities necessary to stabilize the caretaker or the family.

(e) "Employment and training service provider" means ~~an administrative entity~~ a public, private, or nonprofit agency certified by the commissioner of jobs and training to deliver employment and training services under section 268.0122, subdivision 3 and section 268.871, subdivision 1.

(f) "Minor parent" means a caretaker relative who is the parent of the dependent child or children in the assistance unit and who is under the age of 18.

(g) "Priority groups" or "priority caretakers" means recipients of AFDC or AFDC-UP designated as priorities for employment and training services under subdivision ~~2a~~ 16.

(h) "Suitable employment" means employment which:

(1) is within the recipient's physical and mental capacity;

(2) meets health and safety standards established by the Occupational Safety and Health Administration and the department of jobs and training;

(3) pays hourly gross earnings which are not less than the federal or state minimum wage for that type of employment, whichever is applicable;

(4) does not result in a net loss of income. Employment results in a net loss of income when the income remaining after subtracting necessary work-related expenses from the family's gross income, which includes cash assistance, is less than the cash assistance the family was receiving at the time the offer of employment was made.

For purposes of this definition, "work expenses" means the amount withheld or paid for; state and federal income taxes; social security withholding taxes; mandatory retirement fund deductions; dependent care costs; transportation costs to and from work at the amount allowed by the Internal Revenue Service for personal car mileage; costs of work uniforms, union dues, and medical insurance premiums; costs of tools and equipment used on the job; $1 per work day for the costs of meals eaten during employment; public liability insurance required by an employer when an automobile is used in employment and the cost is not reimbursed by the employer; and the amount paid by an employee from personal funds for business costs which are not reimbursed by the employer;

(5) offers a job vacancy which is not the result of a strike, lockout, or other bona fide labor dispute;

(6) requires a round trip commuting time from the recipient's residence of less than two hours by available transportation, exclusive of the time to transport children to and from child care;

(7) does not require the recipient to leave children under age 12 unattended in order to work, or if child care is required, such care is available; and

(8) does not discriminate at the job site on the basis of age, sex, race, color, creed, marital status, status with regard to public assistance, disability, religion, or place of national origin.

(i) "Support services" means programs, activities, and services intended to stabilize families and individuals or provide assistance for family needs related to employment or participation in employment and training services, including child care, transportation, housing assistance, personal and family counseling, crisis intervention services, peer support groups, chemical dependency counseling and treatment, money management assistance, and parenting skill courses.

Sec. 4. Minnesota Statutes 1989 Supplement, section 256.736, subdivision 3, is amended to read:

Subd. 3. [REGISTRATION.] (a) To the extent permissible under federal law, every caretaker or child is required to register for employment and training services, as a condition of receiving AFDC, unless the caretaker or child is:

(1) a child who is under age 16, a child age 16 or 17 who is attending elementary or secondary school or a secondary level vocational or technical school full time;

(2) ill, incapacitated, or age 60 or older;

(3) a person for whom participation in an employment and training service would require a round trip commuting time by available transportation of more than two hours;

(4) a person whose presence in the home is required because of illness or incapacity of another member of the household;

(5) a caretaker or other caretaker relative of a child under the age of three who personally provides full-time care for the child. In AFDC-UP cases, only one parent or other relative may qualify for this exemption;

(6) a caretaker or other caretaker relative personally providing care for a child under six years of age, except that when child care is arranged for or provided, the caretaker or caretaker relative may be required to register and participate in employment and training services up to a maximum of 20 hours per week. In AFDC-UP cases, only one parent or other relative may qualify for this exemption;

(7) ~~a caretaker if another adult relative in the assistance unit is registered and has not, without good cause, failed or refused to participate or accept employment;~~

~~(8)~~ a pregnant woman, if it has been medically verified that the child is expected to be born ~~in the current month or~~ within the next six months; or

~~(9)~~ (8) employed at least 30 hours per week; ~~or~~.

~~(10) a parent who is not the principal earner if the parent who is the principal earner is required to register.~~

(b) To the extent permissible by federal law, applicants for benefits under the AFDC program are registered for employment and training services by signing the application form. Applicants must be informed that they are registering for employment and training services by signing the form. Persons receiving benefits on or after July 1, 1987, shall register for employment and training services to the extent permissible by federal law. The caretaker has a right to a fair hearing under section 256.045 with respect to the appropriateness of the registration.

Sec. 5. Minnesota Statutes 1988, section 256.736, subdivision 3a, is amended to read:

Subd. 3a. [PARTICIPATION.] ~~Caretakers in priority groups must participate in employment and training services under this section to the extent permissible under federal law. However, no assistance unit may be sanctioned for a caretaker's failure to participate in employment and training services under this section if failure~~

~~results from inadequate funding for employment and training services.~~ (a) Except as provided under paragraphs (b) and (c) participation in employment and training services under this section is limited to the following recipients:

(1) caretakers who are required to participate in a job search under subdivision 14;

(2) custodial parents who are subject to the school attendance or case management participation requirements under subdivision 3b;

(3) caretakers whose participation in employment and training services began prior to May 1, 1990, if the caretaker's AFDC eligibility has not been interrupted for 30 days or more and the caretaker's employability development plan has not been completed;

(4) recipients who are members of a family in which the youngest child is within two years of being ineligible for AFDC due to age;

(5) recipients who have received AFDC for 48 or more months out of the last 60 months;

(6) recipients who are participants in the self-employment investment demonstration project under section 268.95; and

(7) recipients who participate in the new chance research and demonstration project under contract with the department of human services.

(b) If the commissioner determines that participation of persons listed in paragraph (a) in employment and training services is insufficient to either meet federal performance targets or to fully utilize funds appropriated under this section, the commissioner may, after notifying the chairs of the senate health and human services committee, the house health and human services committee, the health and human services division of the senate finance committee and the health and human services division of house appropriations, permit additional groups of recipients to participate until the next meeting of the legislative advisory commission, after which the additional groups may continue to enroll for participation, unless the legislative advisory commission disapproves the continued enrollment. The commissioner shall allow participation of additional groups in the following order only as needed to meet performance targets or fully utilize funding for employment and training services under section 256.736:

(1) custodial parents under the age of 22 who:

(i) have not completed a high school education and who, at the

time of application for AFDC, were not enrolled in high school or in a high school equivalency program; or

(ii) have had little or no work experience in the preceding year;

(2) recipients who have received at least 42 months of AFDC out of the previous 60 months;

(3) custodial parents under the age of 24 who:

(i) have not completed a high school education and who, at the time of application for AFDC, were not enrolled in high school or in a high school equivalency program; or

(ii) have had little or no work experience in the preceding year;

(4) recipients who have received at least 36 months of AFDC out of the previous 60 months;

(5) recipients who have received 24 or more months of AFDC out of the previous 48 months; and

(6) recipients who have not completed a high school education or a high school equivalency program.

(c) To the extent of funds allocated specifically for this paragraph, the commissioner may permit AFDC caretakers who are not eligible for participation in employment and training services under the provisions of paragraphs (a) or (b), to participate in such services. Funds shall be allocated to county agencies based on the county's percentage of participants statewide in services under this section in the prior calendar year. Counties must provide equal or greater services to participants enrolled under that paragraph, as measured in average per client expenditures, as provided to other participants in employment and training services under this section. Caretakers shall be selected from a waiting list of caretakers who volunteer to participate, based upon a first come, first served principle. The commissioner may on a quarterly basis reallocate unused allocations to county agencies who have sufficient volunteers. In the event that funding under this paragraph is discontinued in future fiscal years, caretakers who began participation under this paragraph shall be deemed eligible under the provisions of paragraph (a), item (3).

Sec. 6. Minnesota Statutes 1989 Supplement, section 256.736, subdivision 3b, is amended to read:

Subd. 3b. [MANDATORY ASSESSMENT AND SCHOOL ATTENDANCE FOR CERTAIN CUSTODIAL PARENTS.] This subdi-

vision applies to the extent permitted under federal law and regulation.

(a) [DEFINITIONS.] The definitions in this paragraph apply to this subdivision.

(1) "Custodial parent" means a recipient of AFDC who is the natural or adoptive parent of a child living with the custodial parent.

(2) "School" means:

(i) an educational program which leads to a high school diploma. The program or coursework may be, but is not limited to, a program under the post-secondary enrollment options of section 123.3514, a regular or alternative program of an elementary or secondary school, a technical institute, or a college;

(ii) coursework for a general educational development (GED) diploma of not less than six hours of classroom instruction per week; or

(iii) any other post-secondary educational program that is approved by the public school or the local agency under subdivision 11.

(b) [ASSESSMENT AND PLAN; REQUIREMENT; CONTENT.] The county agency must examine the educational level of each custodial parent under the age of 20 to determine if the recipient has completed a high school education or its equivalent. If the custodial parent has not completed a high school education or its equivalent and is not exempt from the requirement to attend school under paragraph (c), the county agency must complete an individual assessment for the custodial parent. The assessment must be performed as soon as possible but within 60 days of determining AFDC eligibility for the custodial parent. The assessment must provide an initial examination of the custodial parent's educational progress and needs, literacy level, child care and supportive service needs, family circumstances, skills, and work experience. In the case of a custodial parent under the age of 18, the assessment must also consider the results of the early and periodic screening, diagnosis and treatment (EPSDT) screening, if available, and the effect of a child's development and educational needs on the parent's ability to participate in the program. The county agency must advise the parent that the parent's first goal must be to complete an appropriate educational option if one is identified for the parent through the assessment and, in consultation with educational agencies, must review the various school completion options with the parent and assist the parent in selecting the most appropriate option.

(c) [RESPONSIBILITY FOR ASSESSMENT AND PLAN.] For

custodial parents who are under age 18, the assessment and the employability plan must be completed by the county social services agency, as specified in section 257.33. For custodial parents who are age 18 or 19, the assessment and employability plan must be completed by the case manager. The social services agency or the case manager shall consult with representatives of educational agencies required to assist in developing educational plans under section 126.235.

(d) [EDUCATION DETERMINED TO BE APPROPRIATE.] If the case manager or county social services agency identifies an appropriate educational option, it must develop an employability plan in consultation with the custodial parent which reflects the assessment. The plan must specify that participation in an educational activity is required, what school or educational program is most appropriate, the services that will be provided, the activities the parent will take part in including child care and supportive services, the consequences to the custodial parent for failing to participate or comply with the specified requirements, and the right to appeal any adverse action. The employability plan must, to the extent possible, reflect the preferences of the participant.

(e) [EDUCATION DETERMINED TO BE NOT APPROPRIATE.] If the case manager determines that there is no appropriate educational option for a custodial parent who is age 18 or 19, the case manager shall indicate the reasons for the determination. The case manager shall then notify the county agency which must refer the custodial parent to case management services under subdivision 11 for completion of an employability plan and services. If the custodial parent fails to participate or cooperate with case management services and does not have good cause for the failure, the county agency shall apply the sanctions listed in subdivision 4, beginning with the first payment month after issuance of notice. If the county social services agency determines that school attendance is not appropriate for a custodial parent under age 18, the county agency shall refer the custodial parent to social services for services as provided in section 257.33.

(f) [SCHOOL ATTENDANCE REQUIRED.] Notwithstanding subdivision 3, a custodial parent must attend school if all of the following apply:

(1) the custodial parent is less than 20 years of age;

(2) transportation services needed to enable the custodial parent to attend school are available;

(3) licensed or legal nonlicensed child care services needed to enable the custodial parent to attend school are available;

(4) the custodial parent has not already received a high school diploma or its equivalent; and

(5) the custodial parent is not exempt because the custodial parent:

(i) is ill or incapacitated seriously enough to prevent him or her from attending school;

(ii) is needed in the home because of the illness or incapacity of another member of the household; this includes a custodial parent of a child who is younger than six weeks of age;

(iii) works 30 or more hours a week; or

(iv) is pregnant if it has been medically verified that the child's birth is expected ~~in the current month or~~ within the next six months.

(g) [ENROLLMENT AND ATTENDANCE.] The custodial parent must be enrolled in school and meeting the school's attendance requirements. The custodial parent is considered to be attending when he or she is enrolled but the school is not in regular session, including during holiday and summer breaks.

(h) [GOOD CAUSE FOR NOT ATTENDING SCHOOL.] The local agency shall not impose the sanctions in subdivision 4 if it determines that a custodial parent has good cause for not being enrolled or for not meeting the school's attendance requirements. The local agency shall determine whether good cause for not attending or not enrolling in school exists, according to this paragraph:

(1) Good cause exists when the local agency has verified that the only available school program requires round trip commuting time from the custodial parent's residence of more than two hours by available means of transportation, excluding the time necessary to transport children to and from child care.

(2) Good cause exists when the custodial parent has indicated a desire to attend school, but the public school system is not providing for his or her education and alternative programs are not available.

(i) [FAILURE TO COMPLY.] The case manager and social services agency shall establish ongoing contact with appropriate school staff to monitor problems that custodial parents may have in pursuing their educational plan and shall jointly seek solutions to prevent parents from failing to complete education. If the school notifies the local agency that the custodial parent is not enrolled or is not meeting the school's attendance requirements, or appears to be facing barriers to completing education, the information must be

conveyed to the case manager for a custodial parent age 18 or 19, or to the social services agency for a custodial parent under age 18. The case manager or social services agency shall reassess the appropriateness of school attendance as specified in paragraph (f). If after consultation, school attendance is still appropriate and the case manager or social services agency determines that the custodial parent has failed to enroll or is not meeting the school's attendance requirements and the custodial parent does not have good cause, the case manager or social services agency shall inform the custodial parent's financial worker who shall apply the sanctions listed in subdivision 4 beginning with the first payment month after issuance of notice.

(j) [NOTICE AND HEARING.] A right to notice and fair hearing shall be provided in accordance with section 256.045 and the Code of Federal Regulations, title 45, section 205.10.

(k) [SOCIAL SERVICES.] When a custodial parent under the age of 18 has failed to attend school, is not exempt, and does not have good cause, the local agency shall refer the custodial parent to the social services agency for services, as provided in section 257.33.

(l) [VERIFICATION.] No less often than quarterly, the financial worker must verify that the custodial parent is meeting the requirements of this subdivision. Notwithstanding section 13.32, subdivision 3, when the local agency notifies the school that a custodial parent is subject to this subdivision, the school must furnish verification of school enrollment, attendance, and progress to the local agency. The county agency must not impose the sanctions in paragraph (i) if the school fails to cooperate in providing verification of the minor parent's education, attendance, or progress.

Sec. 7. Minnesota Statutes 1989 Supplement, section 256.736, subdivision 4, is amended to read:

Subd. 4. [CONDITIONS OF CERTIFICATION.] The commissioner of human services shall:

(1) Arrange for or provide any caretaker or child required to participate in employment and training services pursuant to this section with child-care services, transportation, and other necessary family services;

(2) Provide that in determining a recipient's needs ~~any monthly incentive training payment made to the recipient by the department of jobs and training is disregarded and~~ the additional expenses attributable to participation in a program are taken into account in grant determination to the extent permitted by federal regulation; ~~and~~

(3) Provide that the county board shall impose the sanctions in clause (4) when the county board:

(a) determines that a custodial parent under the age of 16 who is required to attend school under subdivision 3b has, without good cause, failed to attend school; or

(b) determines that subdivision 3c applies to a minor parent and the minor parent has, without good cause, failed to cooperate with development of a social service plan or to participate in execution of the plan, to live in a group or foster home, or to participate in a program that teaches skills in parenting and independent living; ~~or~~

~~(c) determines that a caretaker has, without good cause, failed to attend orientation.~~

(4) To the extent permissible by federal law, impose the following sanctions for a recipient's failure to participate in ~~required education, orientation, or~~ the requirements of subdivision 3b or 3c:

(a) For the first failure, 50 percent of the grant provided to the family for the month following the failure shall be made in the form of protective or vendor payments;

(b) For the second and subsequent failures, the entire grant provided to the family must be made in the form of protective or vendor payments. Assistance provided to the family must be in the form of protective or vendor payments until the recipient complies with the requirement; and

(c) When protective payments are required, the local agency may continue payments to the caretaker if a protective payee cannot reasonably be found.;

(5) Provide that the county board shall impose the sanctions in clause (6) when the county board:

(a) determines that a caretaker or child required to participate in employment and training services has been found by the employment and training service provider to have failed without good cause to participate in appropriate employment and training services or to have failed without good cause to accept, through the job search program described in subdivision 14, or the ~~community work experience program described in section 256.737~~ provisions of an employability development plan if the caretaker is a custodial parent age 18 or 19 and subject to the requirements of subdivision 3b, a bona fide offer of public or other employment; ~~or~~

(b) determines that a custodial parent aged 16 to 19 who is

required to attend school under subdivision 3b has, without good cause, failed to enroll or attend school~~.~~; or

(c) determines that a caretaker has, without good cause, failed to attend orientation;

(6) To the extent required by federal law, ~~the following sanctions must be imposed~~ impose the following sanctions for a recipient's failure to participate in required employment and training services, to accept a bona fide offer of public or other employment, ~~or~~ to enroll or attend school under subdivision 3b~~.~~, or to attend orientation:

(a) For the first failure, the needs of the noncompliant individual shall not be taken into account in making the grant determination, until the individual complies with the requirements~~.~~;

(b) For the second failure, the needs of the noncompliant individual shall not be taken into account in making the grant determination until the individual complies with the requirement or for three consecutive months, whichever is longer~~.~~;

(c) For subsequent failures, the needs of the noncompliant individual shall not be taken into account in making the grant determination until the individual complies with the requirement or for six consecutive months, whichever is longer~~.~~;

(d) Aid with respect to a dependent child ~~will be denied if a child who fails to participate is the only child receiving aid in the family.~~ who has been sanctioned under this paragraph shall be continued for the parent or parents of the child if the child is the only child receiving aid in the family, the child continues to meet the conditions of section 256.73, and the family is otherwise eligible for aid;

(e) If the noncompliant individual is a parent or other relative caretaker, payments of aid for any dependent child in the family must be made in the form of protective or vendor payments. When protective payments are required, the county agency may continue payments to the caretaker if a protective payee cannot reasonably be found. When protective payments are imposed on assistance units whose basis of eligibility is unemployed parent or incapacitated parent, cash payments may continue to the nonsanctioned caretaker in the assistance unit, subject to ~~clause (f).~~ paragraph (g);

(f) If, after removing a caretaker's needs from the grant, ~~the standard of assistance applicable to the remaining eligible members of the assistance unit is the standard that is used in other instances in which the caretaker is excluded from the assistance unit for noncompliance with a program requirement.~~ only dependent children remain eligible for AFDC, the standard of assistance shall be computed using the special children standard;

~~(f)~~ (g) If the noncompliant individual is a ~~parent or other caretaker of~~ principal wage earner in a family whose basis of eligibility is the unemployment of a parent and the ~~noncompliant individual's spouse~~ nonprincipal wage earner is not participating in an approved employment and training service, the needs of both the ~~spouse~~ principal and nonprincipal wage earner must not be taken into account in making the grant determination.; and

(7) Request approval from the secretary of health and human services to use vendor payment sanctions for persons listed in paragraph (5), clause (b). If approval is granted, the commissioner must begin using vendor payment sanctions as soon as changes to the state plan are approved.

Sec. 8. Minnesota Statutes 1989 Supplement, section 256.736, subdivision 10, is amended to read:

Subd. 10. [COUNTY DUTIES.] (a) To the extent of available state appropriations, county boards shall:

(1) refer all ~~priority~~ mandatory and eligible volunteer caretakers required to register under subdivision 3 to an employment and training service provider for participation in employment and training services;

(2) identify to the employment and training service provider caretakers who fall into the priority groups;

(3) provide all caretakers with an orientation which meets the requirements in subdivisions 10a and 10b;

(4) work with the employment and training service provider to encourage voluntary participation by caretakers in the priority groups;

(5) work with the employment and training service provider to collect data as required by the commissioner;

(6) to the extent permissible under federal law, require all caretakers coming into the AFDC program to attend orientation;

(7) encourage nonpriority caretakers to develop a plan to obtain self-sufficiency;

(8) notify the commissioner of the caretakers required to participate in employment and training services;

(9) inform appropriate caretakers of opportunities available through the head start program and encourage caretakers to have

their children screened for enrollment in the program where appropriate;

(10) provide transportation assistance using ~~the employment special needs fund or other~~ available funds to caretakers who participate in employment and training programs~~, with priority for services to caretakers in priority groups~~;

(11) ensure that orientation, ~~employment~~ job search, services to custodial parents under the age of 20, and case management services are made available to appropriate caretakers under this section, except that payment for case management services is governed by subdivision 13;

(12) explain in its local service unit plan under section 268.88 how it will ensure that priority caretakers determined to be in need of social services are provided with such social services. The plan must specify how the case manager and the county social service workers will ensure delivery of needed services;

(13) to the extent allowed by federal laws and regulations, provide a job search program as defined in subdivision 14 and at least one of the following employment and training services: community work experience program (CWEP) as defined in section 256.737, grant diversion as defined in section ~~268.86~~ 256.739, on-the-job training as defined in section 256.738, or another work and training program approved by the commissioner and the secretary of the United States Department of Health and Human Services. Planning and approval for employment and training services listed in this clause must be obtained through submission of the local service unit plan as specified under section 268.88. Each county is urged to adopt grant diversion as the second program required under this clause;

(14) prior to participation, provide an assessment of each AFDC recipient who is required or volunteers to participate in ~~one of the~~ an approved employment and training ~~services specified in clause (13)~~ service~~, including job search, and to recipients who volunteer for participation in case management under subdivision 11~~. The assessment must include an evaluation of the participant's (i) educational, child care, and other supportive service needs; (ii) skills and prior work experience; and (iii) ability to secure and retain a job which, when wages are added to child support, will support the participant's family. The assessment must also include a review of the results of the early and periodic screening, diagnosis and treatment (EPSDT) screening and preschool screening under chapter 123, if available; the participant's family circumstances; and, in the case of a custodial parent under the age of 18, a review of the effect of a child's development and educational needs on the parent's ability to participate in the program;

(15) develop an employability development plan for each recipient

for whom an assessment is required under clause (14) which: (i) reflects the assessment required by clause 14; (ii) takes into consideration the recipient's physical capacity, skills, experience, health and safety, family responsibilities, place of residence, proficiency, child care and other supportive service needs; (iii) is based on available resources and local employment opportunities; (iv) specifies the services to be provided by the employment and training service provider; (v) specifies the activities the recipient will participate in; (vi) specifies necessary supportive services such as child care; (vii) to the extent possible, reflects the preferences of the participant; and (viii) specifies the recipient's long-term employment goal which shall lead to self-sufficiency; and

(16) assure that no work assignment under this section or sections 256.737 ~~and~~, 256.738, and 256.739 results in: (i) termination, layoff, or reduction of the work hours of an employee for the purpose of hiring an individual under this section or sections 256.737 ~~and~~, 256.738, and 256.739; (ii) the hiring of an individual if any other person is on layoff from the same or a substantially equivalent job; (iii) any infringement of the promotional opportunities of any currently employed individual; (iv) the impairment of existing contracts for services or collective bargaining agreements; or (v) except for on-the-job training under section 256.738, a participant filling an established unfilled position vacancy.

(b) Funds available under this subdivision may not be used to assist, promote, or deter union organizing.

(c) A county board may provide other employment and training services that it considers necessary to help caretakers obtain self-sufficiency.

(d) Notwithstanding section 256G.07, when a priority caretaker relocates to another county to implement the provisions of the caretaker's case management contract or other written employability development plan approved by the county human service agency ~~or~~, its case manager or employment and training service provider, the county that approved the plan is responsible for the costs of case management, ~~child care,~~ and other services required to carry out the plan, including employment and training services. The county agency's responsibility for the costs ends when all plan obligations have been met, when the caretaker loses AFDC eligibility for at least 30 days, or when approval of the plan is withdrawn for a reason stated in the plan, whichever occurs first. Responsibility for the costs of child care must be determined under section 256H. A county human service agency may pay for the costs of case management, child care, and other services required in an approved employability development plan when the nonpriority caretaker relocates to another county or when a priority caretaker again becomes eligible for AFDC after having been ineligible for at least 30 days.

Sec. 9. Minnesota Statutes 1989 Supplement, section 256.736, subdivision 10a, is amended to read:

Subd. 10a. [ORIENTATION.] (a) Each county agency must provide an orientation to all caretakers within its jurisdiction who are determined eligible for AFDC on or after July 1, 1989, and who are required to attend an orientation. The county agency shall require attendance at orientation of all caretakers ~~except those~~ who are: not exempt from registration under subdivision 3.

~~(1) physically disabled, mentally ill, or developmentally disabled and whose condition has or is expected to continue for at least 90 days and will prevent participation in educational programs or employment and training services;~~

~~(2) aged 60 or older;~~

~~(3) currently employed in unsubsidized employment that is expected to continue at least 30 days and that provides an average of at least 30 hours of employment per week; or~~

~~(4) currently employed in subsidized employment that is expected to continue at least 30 days and that provides an average of at least 30 hours of employment per week and is expected to result in full-time permanent employment.~~

(b) Except as provided in paragraph (e) below, the orientation must consist of a presentation that informs caretakers of:

(1) the identity, location, and phone numbers of employment and training and support services available in the county;

(2) the types and locations of child care services available through the county agency that are accessible to enable a caretaker to participate in educational programs or employment and training services;

(3) the ~~availability of assistance for participants to help select appropriate child care services and that, on request, assistance will be provided to select appropriate child care services~~ child care resource and referral program designated by the commissioner providing education and assistance to select child care services and a referral to the child care resource and referral when assistance is requested;

(4) the obligations of the county agency and service providers under contract to the county agency;

(5) the rights, responsibilities, and obligations of participants;

(6) the grounds for exemption from mandatory employment and training services or educational requirements;

(7) the consequences for failure to participate in mandatory services or requirements;

(8) the method of entering educational programs or employment and training services available through the county; ~~and~~

(9) the availability and the benefits of the early and periodic, screening, diagnosis and treatment (EPSDT) program and preschool screening under chapter 123;

(10) their eligibility for transition year child care assistance when they lose eligibility for AFDC due to their earnings; and

(11) their eligibility for extended medical assistance when they lose eligibility for AFDC due to their earnings.

(c) Orientation must encourage recipients to view AFDC as a temporary program providing grants and services to individuals who set goals and develop strategies for supporting their families without AFDC assistance. The content of the orientation must not imply that a recipient's eligibility for AFDC is time limited. Orientation may be provided through audio-visual methods, but the caretaker must be given an opportunity for face-to-face interaction with staff of the county agency or the entity providing the orientation, and an opportunity to express the desire to participate in educational programs and employment and training services offered through the county agency.

(d) County agencies shall not require caretakers to attend orientation for more than three hours during any period of 12 continuous months. The local agency shall also arrange for or provide needed transportation and child care to enable caretakers to attend.

(e) Orientation for caretakers not eligible for participation in employment and training services under the provisions of subdivision 3a, paragraphs (a) and (b) shall present information only on those employment, training, and support services available to those caretakers, and information on clauses (2), (3), (9), (10), and (11) of paragraph (a) and all of paragraph (c), and may not last more than two hours.

Sec. 10. Minnesota Statutes 1989 Supplement, section 256.736, subdivision 11, is amended to read:

Subd. 11. [CASE MANAGEMENT SERVICES.] (a) ~~For clients described in subdivision 2a, the case manager shall:~~ The county agency may, to the extent of available resources, enroll priority

caretakers described in subdivision 16 in case management services and for those enrolled shall:

(1) Provide an assessment as described in subdivision 10, paragraph (a), clause (14). As part of the assessment, the case manager shall inform caretakers of the screenings available through the early periodic screening, diagnosis and treatment (EPSDT) program under chapter 256B and preschool screening under chapter 123, and encourage caretakers to have their children screened. The case manager must work with the caretaker in completing this task;

(2) Develop an employability development plan as described in subdivision 10, paragraph (a), clause (15). The case manager must work with the caretaker in completing this task. For caretakers who are not literate or who have not completed high school, the first goal for the caretaker should be to complete literacy training or a general equivalency diploma. Caretakers who are literate and have completed high school shall be counseled to set realistic attainable goals, taking into account the long-term needs of both the caretaker and the caretaker's family;

(3) Coordinate services such as child care, transportation, and education assistance necessary to enable the caretaker to work toward the goals developed in clause (2). The case manager shall refer caretakers to resource and referral services, if available, and shall assist caretakers in securing appropriate child care services. When a client needs child care services in order to attend a Minnesota public or nonprofit college, university or technical institute, the case manager shall contact the appropriate agency to reserve child care funds for the client. A caretaker who needs child care services in order to complete high school or a general equivalency diploma is eligible for child care under section 268.91;

(4) Develop, execute, and monitor a contract between the local agency and the caretaker. The contract must be based upon the employability development plan described in subdivision 10, paragraph (a), clause (15), ~~and~~ but must be a separate document. It must include: (a) specific goals of the caretaker including stated measurements of progress toward each goal, the estimated length of participation in the program, and the number of hours of participation per week; (b) ~~specific~~ educational, training, and employment activities and support services provided by the county agency, including child care; and (c) the participant's obligations and the conditions under which the county will withdraw the services provided;

The contract must be signed and dated by the case manager and participant, and may include other terms as desired or needed by either party. In all cases, however, the case manager must assist the participant in reviewing and understanding the contract, and must ensure that the caretaker has set forth in the contract realistic goals

consistent with the ultimate goal of self-sufficiency for the caretaker's family; and

(5) Develop and refer caretakers to counseling or peer group networks for emotional support while participating in work, education, or training.

(b) In addition to the duties in paragraph (a), for minor parents and pregnant minors, the case manager shall:

(1) Ensure that the contract developed under paragraph (a), clause (4), considers all factors set forth in section 257.33, subdivision 2;

(2) Assess the housing and support systems needed by the caretaker in order to provide the dependent children with adequate parenting. The case manager shall encourage minor parents and pregnant minors who are not living with friends or relatives to live in a group home or foster care setting. If minor parents and pregnant minors are unwilling to live in a group home or foster care setting or if no group home or foster care setting is available, the case manager shall assess their need for training in parenting and independent living skills and when appropriate shall refer them to available counseling programs designed to teach needed skills; and

(3) Inform minor parents or pregnant minors of, and assist them in evaluating the appropriateness of, the high school graduation incentives program under section 126.22, including post-secondary enrollment options, and the employment-related and community-based instruction programs.

(c) A caretaker may request a conciliation conference to attempt to resolve disputes regarding the contents of a contract developed under this section or a housing and support systems assessment conducted under this section. The caretaker may request a hearing pursuant to section 256.045 to dispute the contents of a contract or assessment developed under this section. The caretaker need not request a conciliation conference in order to request a hearing pursuant to section 256.045.

Sec. 11. Minnesota Statutes 1989 Supplement, section 256.736, subdivision 14, is amended to read:

Subd. 14. [JOB SEARCH.] (a) The commissioner of human services shall establish a job search program under Public Law Number 100-485. Unless exempt, the principal wage earner in an AFDC-UP assistance unit must be referred to ~~and must begin participation in~~ the job search program within 30 days of being determined eligible for AFDC, and must begin participation within four months of being determined eligible ~~for AFDC-UP unless~~. The principal wage earner is exempt from job search participation if:

(1) the caretaker is already participating in another approved employment and training service;

(2) the caretaker's employability plan specifies other activities;

(3) the caretaker is exempt from registration under subdivision 3; or

(4) the caretaker is unable to secure employment due to inability to communicate in the English language, is participating in an English as a second language course, and is making satisfactory progress towards completion of the course. If an English as a second language course is not available to the caretaker, the caretaker is exempt from participation until a course becomes available.

(b) The job search program must provide the following services:

(1) an initial period of up to four weeks of job search activities for not more than 32 hours per week. The employment and training service provider shall specify for each participating caretaker the number of weeks and hours of job search to be conducted and shall report to the county board if the caretaker fails to cooperate with the ~~employment~~ job search requirement; and

(2) an additional period of job search following the first period at the discretion of the employment and training service provider. The total of these two periods of job search may not exceed eight weeks for any 12 consecutive month period beginning with the month of application.

(c) The ~~employment~~ job search program may provide services to non-AFDC-UP caretakers.

Sec. 12. Minnesota Statutes 1989 Supplement, section 256.736, subdivision 16, is amended to read:

Subd. 16. [ALLOCATION AND USE OF MONEY.] (a) State money appropriated for employment and training services under this section must be allocated to counties ~~as follows:~~ as specified in paragraphs (b) to (h).

(b) Funds appropriated for case management services as described in subdivision 11 must be allocated to counties based on the average number of priority cases receiving AFDC in the county for the 12-month period ending December 31 of the previous year. For purposes of this section, "priority caretaker" means a recipient who:

(1) is a custodial parent under the age of 24 who: (i) has not completed a high school education and at the time of application for AFDC is not enrolled in high school or in a high school equivalency

program; or (ii) had little or no work experience in the preceding year;

(2) is a member of a family in which the youngest child is within two years of being ineligible for AFDC due to age; or

(3) has received 36 months or more of AFDC over the last 60 months.

(c) Funds appropriated for employment and training services as described in subdivision 1a, paragraph (d), other than case management services as described in subdivision 11, must be allocated to counties as follows:

(1) Forty percent of the state money must be allocated based on the average monthly number of priority caretakers receiving AFDC in the county ~~who are under age 21 and the average monthly number of AFDC cases open in the county for 24 or more consecutive months and residing in the county~~ for the 12-month period ending December 31 of the previous ~~fiscal~~ year.

(2) Twenty percent of the state money must be allocated based on the average monthly number of nonpriority caretakers receiving AFDC in the county for the period ending December 31 of the previous ~~fiscal~~ year. ~~Funds may be used to develop employability plans for nonpriority caretakers if resources allow.~~

(3) Twenty-five percent of the state money must be allocated based on the average monthly number of assistance units in the county receiving AFDC-UP for the period ending December 31 of the previous ~~fiscal~~ year.

(4) Fifteen percent of the state money must be allocated at the discretion of the commissioner based on participation levels for priority group members in each county.

~~(b)~~ (d) No more than 15 percent of the money allocated under paragraph ~~(a)~~ (b) and no more than 15 percent of the money allocated under paragraph (c) may be used for administrative activities.

~~(c) Except as provided in paragraph (d),~~ (e) At least ~~70~~ 55 percent of the money allocated to counties under clause (c) must be used for ~~case management services and~~ employment and training services for caretakers in the priority groups., and up to ~~30~~ 45 percent of the money may be used for ~~employment search activities and~~ employment and training services for nonpriority caretakers. One hundred percent of the money allocated to counties under clause (b) must be used for case management services for caretakers in the priority groups.

~~(d) A county having a high proportion of nonpriority caretakers that interferes with the county's ability to meet the 70 percent spending requirement of paragraph (c) may, with the approval of the commissioner of human services, use up to 40 percent of the money allocated under this section for orientation and employment and training services for nonpriority caretakers.~~

~~(e)~~ (f) Money appropriated to cover the nonfederal share of costs for bilingual case management services to refugees for the employment and training programs under this section are allocated to counties based on each county's proportion of the total statewide number of AFDC refugee cases. However, counties with less than one percent of the statewide number of AFDC refugee cases do not receive an allocation.

~~(f)~~ (g) Counties and the department of jobs and training shall bill the commissioner of human services for any expenditures incurred by the county, the county's employment and training service provider, or the department of jobs and training that may be reimbursed by federal money. The commissioner of human services shall bill the United States Department of Health and Human Services and the United States Department of Agriculture for the reimbursement and appropriate the reimbursed money to the county, the department of jobs and training, or employment and training service provider that submitted the original bill. The reimbursed money must be used to expand employment and training services.

~~(g)~~ (h) The commissioner of human services shall review county expenditures of case management and employment and training block grant money at the end of the fourth quarter of the biennium and each quarter after that, and may reallocate unencumbered or unexpended money allocated under this section to those counties that can demonstrate a need for additional money. Reallocation of funds must be based on the formula set forth in paragraph (a), excluding the counties that have not demonstrated a need for additional funds.

(i) The county agency may continue to provide case management and supportive services to a participant for up to 90 days after the participant loses AFDC eligibility, and may continue providing a specific employment and training service for the duration of that service to a participant if funds for the service are obligated or expended prior to the participant losing AFDC eligibility.

Sec. 13. Minnesota Statutes 1989 Supplement, section 256.736, subdivision 18, is amended to read:

Subd. 18. [PROGRAM OPERATION BY INDIAN TRIBES.] (a) The commissioner may enter into agreements with any federally recognized Indian tribe with a reservation in the state to provide employment and training programs under this section to members

of the Indian tribe receiving AFDC. For purposes of this section, "Indian tribe" means a tribe, band, nation, or other organized group or community of Indians that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians; and for which a reservation exists as is consistent with Public Law Number 100-485, as amended.

(b) Agreements entered into under this subdivision must require the governing body of the Indian tribe to fulfill all county responsibilities required under this section in operation of the employment and training services covered by the contract, excluding the county share of costs in subdivision 13 and any county function related to AFDC eligibility determination or grant payment. The commissioner may enter into an agreement with a consortium of Indian tribes providing the governing body of each Indian tribe in the consortium agrees to these conditions.

(c) Agreements entered into under this subdivision must require the Indian tribe to operate the employment and training services within a geographic service area not to exceed the counties within which a border of the reservation falls. Indian tribes may also operate services in Hennepin and Ramsey counties or other geographic areas as approved by the commissioner of human services in consultation with the commissioner of jobs and training.

(d) Agreements entered into under this section must require the Indian tribe to operate a federal jobs program under Public Law Number 100-485, section 482(i).

(e) Agreements entered into under this section must require conformity with section 13.46 and any applicable federal regulations in the use of data about AFDC recipients.

(f) Agreements entered into under this section must require financial and program participant activity record keeping and reporting in the manner and using the forms and procedures specified by the commissioner and that federal reimbursement received must be used to expand operation of the employment and training services.

(g) Agreements entered into under this section must require that the Indian tribe coordinate operation of the programs with county employment and training programs, Indian Job Training Partnership Act programs, and educational programs in the counties in which the tribal unit's program operates.

(h) Agreements entered into under this section must require the Indian tribe to allow inspection of program operations and records by representatives of the department.

(i) Agreements entered into under this subdivision must require the Indian tribe to ~~contract with an~~ have its employment and training service provider certified by the commissioner of jobs and training for operation of the programs~~, or become certified itself~~.

(j) Agreements entered into under this subdivision must require the Indian tribe to specify a starting date for each program with a procedure to enable tribal members participating in county-operated employment and training services to make the transition to the program operated by the tribal unit. Programs must begin on the first day of a month specified by the agreement.

(k) If the commissioner and Indian tribe enter into an agreement, the commissioner, after consulting with the commissioner of jobs and training regarding tribal plan status, may immediately reallocate county case management and employment and training block grant money from the counties in the Indian tribe's service area to the Indian tribe, prorating each county's annual allocations according to that percentage of the number of adult tribal unit members receiving AFDC residing in the county compared to the total number of adult AFDC recipients residing in the county and also prorating the annual allocation according to the month in which the Indian tribe program starts. If the Indian tribe cancels the agreement or fails, in the commissioner's judgment, to fulfill any requirement of the agreement, the commissioner shall reallocate money back to the counties in the Indian tribe's service area.

(l) Indian tribe members receiving AFDC and residing in the service area of an Indian tribe operating employment and training services under an agreement with the commissioner must be referred by county agencies in the service area to the Indian tribe for employment and training services.

(m) The Indian tribe shall bill the commissioner of human services for services performed under the contract. The commissioner shall bill the United States Department of Health and Human Services for reimbursement. Federal receipts are appropriated to the commissioner to be provided to the Indian tribe that submitted the original bill.

Sec. 14. Minnesota Statutes 1988, section 256.7365, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For the purpose of this section, the following terms have the meanings given them.

(a) "Substantial barriers to employment" means disabilities, chemical dependency, having children with disabilities, lack of a high school degree, lack of a marketable occupational skill, three or more children, or lack of regular work experience in the previous five years.

(b) "Case management" means case management as defined in section 256.736, subdivision 11.

Sec. 15. Minnesota Statutes 1989 Supplement, section 256.737, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT AND PURPOSE.] In order that persons receiving aid under this chapter may be assisted in achieving self-sufficiency by enhancing their employability through meaningful work experience and training and the development of job search skills, ~~the commissioner of human services shall continue the pilot community work experience demonstration programs that were approved by January 1, 1984.~~ the commissioner may establish ~~additional~~ community work experience programs in as many counties as necessary to comply with the participation requirements of the Family Support Act of 1988, Public Law Number 100-485. As of July 1, 1990, all such programs ~~established on or after July 1, 1989,~~ must be operated on a volunteer basis, and must be operated according to the Family Support Act of 1988, Public Law Number 100-485.

Sec. 16. Minnesota Statutes 1989 Supplement, section 256.737, subdivision 2, is amended to read:

Subd. 2. [PROGRAM REQUIREMENTS.] (a) Programs under this section are limited to projects that serve a useful public service such as: health, social service, environmental protection, education, urban and rural development and redevelopment, welfare, recreation, public facilities, public safety and child care. To the extent possible, the prior training, skills, and experience of a recipient must be used in making appropriate work experience assignments.

(b) As a condition to placing a person receiving aid to families with dependent children in a program under this subdivision, the county agency shall first provide the recipient the opportunity to participate in the following services:

(1) placement in suitable subsidized or unsubsidized employment through participation in job search under section 256.736, subdivision 14; or

(2) basic educational or vocational or occupational training for an identifiable job opportunity.

(c) ~~If the~~ A recipient ~~refuses~~ who has completed a job search under section 256.736, subdivision 14, who is unable to secure suitable employment, and ~~a~~ who is not enrolled in an approved training program, ~~the county agency~~ may, ~~subject to subdivision 1, require the recipient to~~ participate in a community work experience program ~~as a condition of eligibility~~.

(d) The county agency shall limit the maximum number of hours any participant under this section may ~~be required to~~ work in any month to a number equal to the amount of the aid to families with dependent children payable to the family divided by the greater of the federal minimum wage or the applicable state minimum wage.

(e) After a participant has been assigned to a position under this section for nine months, the participant may not ~~be required to~~ continue in that assignment unless the maximum number of hours a participant ~~is required to work~~ works is no greater than the amount of the aid to families with dependent children payable with respect to the family divided by the higher of (1) the federal minimum wage or the applicable state minimum wage, whichever is greater, or (2) the rate of pay for individuals employed in the same or similar occupations by the same employer at the same site.

(f) After each six months of a recipient's participation in an assignment, and at the conclusion of each assignment under this section~~.~~, the county agency shall reassess and revise, as appropriate, each participant's employability development plan.

~~(g) The county agency shall apply the grant reduction sanctions specified in section 256.736, subdivision 4, clause (6), when it is determined that a mandatory participant has failed, without good cause, to participate in the program.~~

Sec. 17. [256.739] [GRANT DIVERSION.]

(a) County agencies may, according to section 256.736, subdivision 10, develop grant diversion programs that permit voluntary participation by AFDC recipients. A county agency that chooses to provide grant diversion as one of its optional employment and training services may divert to an employer part or all of the AFDC payment for the participant's assistance unit, in compliance with federal regulations and laws. Such payments to an employer are to subsidize employment for AFDC recipients as an alternative to public assistance payments.

(b) County agencies shall limit the length of training to nine months. Placement in a grant diversion training position with an employer is for the purpose of training and employment with the same employer, who has agreed to retain the person upon satisfactory completion of training.

(c) Placement of any recipient in a grant diversion subsidized training position must be compatible with the assessment and employability development plan established for the recipient under section 256.736, subdivision 10, paragraph (a), clauses (14) and (15).

(d) No grant diversion participant may be assigned to fill any established, unfilled position vacancy with an employer.

(e) In addition to diverting the AFDC grant to the employer, employment and training block grant funds may be used to subsidize the grant diversion placement.

Sec. 18. Minnesota Statutes 1989 Supplement, section 256D.01, subdivision 1a, is amended to read:

Subd. 1a. [STANDARDS.] (a) A principal objective in providing general assistance is to provide for persons ineligible for federal programs who are unable to provide for themselves. The minimum standard of assistance determines the total amount of the general assistance grant without separate standards for shelter, utilities, or other needs.

(b) The commissioner shall set the standard of assistance for an assistance unit consisting of an adult recipient who is childless and unmarried or living apart from children and spouse and who does not live with a parent or parents or a legal custodian. When the other standards specified in this subdivision increase, this standard must also be increased by the same percentage.

(c) For an assistance unit consisting of a single adult who lives with a parent or parents, the general assistance standard of assistance is the amount that the aid to families with dependent children standard of assistance would increase if the recipient were added as an additional minor child to an assistance unit consisting of the recipient's parent and all of that parent's family members, except that the standard may not exceed the standard for a general assistance recipient living alone. Benefits received by a responsible relative of the assistance unit under the supplemental security income program, a workers' compensation program, the Minnesota supplemental aid program, or any other program based on the responsible relative's disability, and any benefits received by a responsible relative of the assistance unit under the social security retirement program, may not be counted in the determination of eligibility or benefit level for the assistance unit. Except as provided below, the assistance unit is ineligible for general assistance if the available resources or the countable income of the assistance unit and the parent or parents with whom the assistance unit lives are such that a family consisting of the assistance unit's parent or parents, the parent or parents' other family members and the assistance unit as the only or additional minor child would be financially ineligible for general assistance. For the purposes of calculating the countable income of the assistance unit's parent or parents, the calculation methods, income deductions, exclusions, and disregards used when calculating the countable income for a single adult or childless couple must be used.

(d) For an assistance unit consisting of a childless couple, the standards of assistance are the same as the first and second adult standards of the aid to families with dependent children program. If one member of the couple is not included in the general assistance grant, the standard of assistance for the other is the second adult standard of the aid to families with dependent children program.

(e) For an assistance unit consisting of all members of a family, the standards of assistance are the same as the standards of assistance that apply to a family under the aid to families with dependent children program if that family had the same number of parents and children as the assistance unit under general assistance and if all members of that family were eligible for the aid to families with dependent children program. If one or more members of the family are not included in the assistance unit for general assistance, the standards of assistance for the remaining members are the same as the standards of assistance that apply to an assistance unit composed of the entire family, less the standards of assistance for a family of the same number of parents and children as those members of the family who are not in the assistance unit for general assistance. ~~However, if an assistance unit consists solely of the minor children because their parent or parents have been sanctioned from receiving benefits from the aid to families with dependent children program, the standard for the assistance unit is the same as the special child standard of the aid to families with dependent children program.~~ In no case shall the standard for family members who are in the assistance unit for general assistance, when combined with the standard for family members who are not in the general assistance unit, total more than the standard for the entire family if all members were in an AFDC assistance unit. A child may not be excluded from the assistance unit unless income intended for its benefit is received from a federally aided categorical assistance program or supplemental security income. The income of a child who is excluded from the assistance unit may not be counted in the determination of eligibility or benefit level for the assistance unit.

(f) An assistance unit consisting of one or more members of a family must have its grant determined using the policies and procedures of the aid to families with dependent children program. However, the standard of assistance must be determined according to paragraph (e), the first $50 of total child support received by an assistance unit in a month must be excluded and the balance counted as unearned income, and nonrecurring lump sums received by the family must be considered income in the month received and a resource in the following months.

Sec. 19. Minnesota Statutes 1988, section 256D.01, is amended by adding a subdivision to read:

Subd. 1d. [RULES REGARDING EMERGENCY ASSISTANCE.]

In order to maximize the use of federal funds, the commissioner shall 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 use of the emergency program under aid to families with dependent children as the primary financial resource when available. The commissioner shall adopt rules for 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. General assistance payments may not be made for foster care, child welfare services, or other social services. Vendor payments and vouchers may be issued only as authorized in sections 256D.05, subdivision 6, and 256D.09.

Sec. 20. Minnesota Statutes 1988, section 256D.02, subdivision 5, is amended to read:

Subd. 5. "Family" means the ~~following persons who live together: a minor child or a group of minor children related to each other as siblings, half siblings, or stepsiblings, together with their natural or adoptive parents, their stepparents, or their legal custodians, and any other minor children of whom an adult member of the family is a legal custodian.~~ applicant or recipient and the following persons who reside with the applicant or recipient:

(1) the applicant's spouse;

(2) any minor child of whom the applicant is a parent, stepparent, or legal custodian, and that child's minor siblings, including half-siblings and step-siblings;

(3) the other parent of the applicant's minor child or children together with that parent's minor children, and, if that parent is a minor, his or her parents, stepparents, legal guardians, and minor siblings; and

(4) if the applicant or recipient is a minor, the minor's parents, stepparents, or legal guardians, and any other minor children for whom those parents, stepparents, or legal guardians are financially responsible.

A "family" must contain at least one minor child and at least one of that child's natural or adoptive parents, stepparents, or legal custodians.

Sec. 21. Minnesota Statutes 1988, section 256D.02, subdivision 8, is amended to read:

Subd. 8. "Income" means any form of income, including remuner-

ation for services performed as an employee and net earnings from self-employment, reduced by the amount attributable to employment expenses as defined by the commissioner. The amount attributable to employment expenses shall include amounts paid or withheld for federal and state personal income taxes and federal social security taxes.

"Income" includes any payments received as an annuity, retirement, or disability benefit, including veteran's or workers' compensation; old age, survivors, and disability insurance; railroad retirement benefits; unemployment benefits; and benefits under any federally aided categorical assistance program, supplementary security income, or other assistance program; rents, dividends, interest and royalties; and support and maintenance payments. Such payments may not be considered as available to meet the needs of any person other than the person for whose benefit they are received, unless that person is a family member or a spouse and the income is not excluded under section 256D.01, subdivision 1a. Goods and services provided in lieu of cash payment shall be excluded from the definition of income, except that payments made for room, board, tuition or fees by a parent, on behalf of a child enrolled as a full-time student in a post-secondary institution, and payments made on behalf of an applicant or recipient which the applicant or recipient could legally require to be paid in cash to himself or herself, must be included as income.

Sec. 22. Minnesota Statutes 1988, section 256D.02, subdivision 12, is amended to read:

Subd. 12. "~~Local~~ County agency" means the agency designated by the county board of commissioners, human services boards, county welfare boards in the several counties of the state or multicounty welfare boards or departments where those have been established in accordance with law.

Sec. 23. Minnesota Statutes Second 1989 Supplement, section 256D.03, subdivision 2, is amended to read:

Subd. 2. After December 31, 1980, state aid shall be paid to local agencies for 75 percent of all general assistance and work readiness grants up to the standards of sections 256D.01, subdivision 1a, and 256D.051, and according to procedures established by the commissioner, except as provided for under section 256.017 and except that, ~~after December 31, 1987~~ until January 1 1991, state aid is reduced to 65 percent of all work readiness assistance if the local agency does not make occupational or vocational literacy training available and accessible to recipients who are eligible for assistance under section 256D.051.

~~After December 31, 1986, state aid must be paid to local agencies for 65 percent of work readiness assistance paid under section~~

~~256D.051 if the county does not have an approved and operating community investment program.~~

Beginning July 1, 1991, the state will reimburse counties according to the payment schedule in section 256.025 for the county share of local agency expenditures made under this subdivision from January 1, 1991, on. Payment to counties under this subdivision is subject to the provisions of section 256.017.

Sec. 24. Minnesota Statutes 1989 Supplement, section 256D.051, subdivision 1a, is amended to read:

Subd. 1a. [WORK READINESS PAYMENTS.] (a) Grants of work readiness shall be determined using the standards of assistance, exclusions, disregards, and procedures which are used in the general assistance program. Work readiness shall be granted in an amount that, when added to the nonexempt income actually available to the assistance unit, the total amount equals the applicable standard of assistance.

(b) Work readiness payments must be provided to persons determined eligible for the work readiness program as provided in this subdivision except when the special payment provisions in subdivision 1b are utilized. The initial payment must be prorated to provide assistance for the period beginning with the date the completed application is received by the county agency or the date the assistance unit meets all work readiness eligibility factors, whichever is later, and ending on the final day of that month. The amount of the first payment must be determined by dividing the number of days to be covered under the payment by the number of days in the month, to determine the percentage of days in the month that are covered by the payment, and multiplying the monthly payment amount by this percentage. Subsequent payments must be paid monthly on the first day of each month.

~~There shall be an initial certification period which shall begin on the date the completed application is received by the county agency or the date that the assistance unit meets all work readiness eligibility factors, whichever is later, and ending on the date that mandatory registrants in the assistance unit must attend a work readiness orientation. This initial certification period may not cover a period in excess of 30 calendar days. All mandatory registrants in the assistance unit must be informed of the period of certification, the requirement to attend orientation, and that work readiness eligibility will end at the end of the certification period unless the registrants attend orientation. A registrant who fails to comply with requirements during the certification period, including attendance at orientation, will lose work readiness eligibility without notice under section 256D.101, subdivision 1, paragraph (b).~~

At the time the county agency notifies the assistance unit that it

is eligible for work readiness assistance, the county agency must inform all mandatory registrants in the assistance unit that they must attend an orientation within 30 days, and that work readiness eligibility will end at the end of the month in which the orientation is scheduled unless the registrants attend orientation. A registrant who fails, without good cause, to comply with requirements during this time period, including attendance at orientation, will lose work readiness eligibility without notice under section 256D.101, subdivision 1, paragraph (b). The registrant shall, however, be sent a notice, on or before the date that eligibility ends, which informs the registrant that work readiness eligibility has ended in accordance with this section for failure to comply with work readiness requirements. The notice shall set forth the factual basis for such determination, and advises the registrant of the right to reinstate eligibility upon a showing of good cause for the failure to meet the requirements. Subsequent assistance must not be issued unless the person completes an application, is determined eligible, and attends an orientation, or demonstrates that the person had good cause for failing to comply with the requirement.

Sec. 25. Minnesota Statutes 1989 Supplement, section 256D.051, subdivision 1b, is amended to read:

Subd. 1b. [SPECIAL PAYMENT PROVISIONS.] A county agency may, at its option, provide work readiness payments ~~as provided under section 256D.05, subdivision 6, during the initial certification period~~ prorated to cover only an initial certification period. The initial certification period shall cover the time from the date the completed application is received by the county agency or the date that the assistance unit meets all work readiness eligibility factors, whichever is later, and ending on the date that mandatory registrants in the assistance unit must attend a work readiness orientation. This initial certification period may not cover a period in excess of 30 calendar days. All mandatory registrants in the assistance unit must be informed of the period of certification, the requirement to attend orientation, and that work readiness eligibility will end at the end of the certification period unless the registrants attend orientation. A registrant who fails, without good cause, to comply with requirements during the certification period, including attendance at orientation, will lose work readiness eligibility without notice under section 256D.101, subdivision 1, paragraph (b). The registrant shall, however, be sent a notice, on or before the date that eligibility ends, which informs the registrant that work readiness eligibility has ended in accordance with this section for failure to comply with work readiness requirements. The notice shall set forth the factual basis for such determination, and advises the registrant of the right to reinstate eligibility upon a showing of good cause for the failure to meet the requirements. If all mandatory registrants attend orientation, an additional grant of work readiness assistance must be issued to cover the period beginning the day after the scheduled orientation and ending on the final day of that month.

Subsequent payments of work readiness shall be governed by subdivision 1a or section 256D.05, subdivision 6. If one or more mandatory registrants from the assistance unit fail to attend the orientation, those who failed to attend orientation will be removed from the assistance unit without further notice and shall be ineligible for additional assistance. Subsequent assistance to such persons shall be dependent upon the person completing application for assistance ~~and~~, being determined eligible, and attending an orientation or demonstrating that the person had good cause for failing to comply with the requirement.

A local agency that utilizes the provisions in this subdivision must implement the provisions consistently for all applicants or recipients in the county. A local agency must pay emergency general assistance to a registrant whose prorated work readiness payment does not meet emergency needs. ~~A local agency which elects to pay work readiness assistance on a prorated basis under this subdivision may not provide payments under section 256D.05, subdivision 6, for the same time period.~~ A county agency may, at its option, provide work readiness payments as provided under section 256D.05, subdivision 6, during the initial certification period.

Sec. 26. Minnesota Statutes 1989 Supplement, section 256D.051, subdivision 2, is amended to read:

Subd. 2. [LOCAL AGENCY DUTIES.] (a) The local agency shall provide to registrants a work readiness program. The work readiness program must include:

(1) orientation to the work readiness program;

(2) an individualized employability assessment and development plan that includes assessment of literacy, ability to communicate in the English language, eligibility for displaced homemaker services under section 268.96, educational history, and that estimates the length of time it will take the registrant to obtain employment. The employability assessment and development plan must be completed in consultation with the registrant, must assess the registrant's assets, barriers, and strengths, and must identify steps necessary to overcome barriers to employment;

(3) referral to available accredited remedial or skills training programs designed to address registrant's barriers to employment;

(4) referral to available programs including the Minnesota employment and economic development program;

(5) a job search program, including job seeking skills training; and

(6) other activities, ~~including public employment experience pro-~~

~~grams~~ to the extent of available resources designed by the local agency to prepare the registrant for permanent employment.

The work readiness program may include a public sector or nonprofit work experience component only if the component is established according to section 268.90.

In order to allow time for job search, the local agency may not require an individual to participate in the work readiness program for more than 32 hours a week. The local agency shall require an individual to spend at least eight hours a week in job search or other work readiness program activities.

(b) The local agency shall prepare an annual plan for the operation of its work readiness program. The plan must be submitted to and approved by the commissioner of jobs and training. The plan must include:

(1) a description of the services to be offered by the local agency;

(2) a plan to coordinate the activities of all public entities providing employment-related services in order to avoid duplication of effort and to provide services more efficiently;

(3) a description of the factors that will be taken into account when determining a client's employability development plan; and

(4) provisions to assure that applicants and recipients are evaluated for eligibility for general assistance prior to termination from the work readiness program.

Sec. 27. Minnesota Statutes 1989 Supplement, section 256D.051, subdivision 3, is amended to read:

Subd. 3. [REGISTRANT DUTIES.] In order to receive work readiness assistance, a registrant shall: (1) cooperate with the local agency in all aspects of the work readiness program; (2) accept any suitable employment, including employment offered through the job training partnership act, Minnesota employment and economic development act, and other employment and training options; and (3) participate in work readiness activities assigned by the local agency. The local agency may terminate assistance to a registrant who fails to cooperate in the work readiness program, as provided in subdivision ~~3b~~ 3c.

Sec. 28. Minnesota Statutes 1989 Supplement, section 256D.051, subdivision 8, is amended to read:

Subd. 8. [VOLUNTARY QUIT.] A person is not eligible for work readiness payments or services if, without good cause, the person

refuses a legitimate offer of, or quits, suitable employment within 60 days before the date of application. A person who, without good cause, voluntarily quits suitable employment or refuses a legitimate offer of suitable employment while receiving work readiness payments or services shall be terminated from the work readiness program and disqualified for two months according to rules adopted by the commissioner.

Sec. 29. Minnesota Statutes 1988, section 256D.052, subdivision 5, is amended to read:

Subd. 5. [REASSESSMENT AND LITERACY REFERRAL.] ~~(a)~~ When a person is no longer functionally illiterate under rules adopted by the commissioner or is terminated for failure to comply with literacy training requirements, the local agency must assess the person's eligibility for general assistance under the remaining provisions of section 256D.05, subdivision 1, paragraph (a). The local agency must refer to the work readiness program under section 256D.051 all people not eligible for general assistance.

~~(b) The local agency may also refer for voluntary work readiness services all recipients who reach a level of literacy that may allow successful participation in job training, provided that the job training does not interfere with a recipient's participation in literacy training. However, referral under this clause does not affect general assistance eligibility.~~

Sec. 30. Minnesota Statutes 1988, section 256D.06, subdivision 2, is amended to read:

Subd. 2. Notwithstanding the provisions of subdivision 1, a grant of general assistance shall be made to an eligible individual, married couple, or family for an emergency need, as defined in rules promulgated by the commissioner, where the recipient requests temporary assistance not exceeding 30 days if an emergency situation appears to exist and the individual is ineligible for the program of emergency assistance under aid to families with dependent children and is not a recipient of aid to families with dependent children at the time of application hereunder. If ~~a~~ an applicant or recipient relates facts to the local agency which may be sufficient to constitute an emergency situation, the local agency shall advise the ~~recipient~~ person of the procedure for applying for assistance pursuant to this subdivision.

Sec. 31. Minnesota Statutes 1989 Supplement, section 256H.01, subdivision 7, is amended to read:

Subd. 7. [EDUCATION PROGRAM.] "Education program" means remedial or basic education or English as a second language instruction, a program leading to a general equivalency or high school diploma, post-secondary programs excluding postbaccalaure-

ate programs, and other education and training needs as documented in an employability plan that is developed by an employment and training service provider certified by the commissioner of jobs and training or an individual designated by the county to provide employment and training services. The employability plan must outline education and training needs of a recipient, meet state requirements for employability plans, meet the requirements of Minnesota Rules, parts 9565.5000 to 9565.5200 and meet the requirements of ~~other~~ programs that provide federal reimbursement for child care services. ~~The county must incorporate into a recipient's employability plan an educational plan developed by a post-secondary institution for a nonpriority AFDC recipient who is enrolled or planning to enroll at that institution.~~

Sec. 32. Minnesota Statutes 1989 Supplement, section 256H.01, subdivision 8, is amended to read:

Subd. 8. [EMPLOYMENT PROGRAM.] "Employment program" means employment of recipients financially eligible for child care assistance, preemployment activities, or other activities approved in an employability plan that is developed by an employment and training service provider certified by the commissioner of jobs and training or an individual designated by the county to provide employment and training services. The plans must meet the requirements of Minnesota Rules, parts 9565.5000 to 9565.5200, and other programs that provide federal reimbursement for child care services.

Sec. 33. Minnesota Statutes 1989 Supplement, section 256H.01, subdivision 12, is amended to read:

Subd. 12. [PROVIDER.] "Provider" means a child care license holder who operates a family day care home, a group family day care home, a day care center, a nursery school, a day nursery, an extended day school age child care program; a person exempt from licensure who meets child care standards established by the state board of education; or a legal nonlicensed caregiver who is at least 18 years of age, and who is not a member of the AFDC assistance unit.

Sec. 34. Minnesota Statutes 1988, section 256H.01, is amended by adding a subdivision to read:

Subd. 16. [TRANSITION YEAR FAMILIES.] "Transition year families" means families who lose eligibility for AFDC due to increased hours of employment, increased income from employment, or the loss of income disregards due to time limitations, as provided under Public Law Number 100-485.

Sec. 35. Minnesota Statutes 1988, section 256H.01, is amended by adding a subdivision to read:

Subd. 17. [CHILD CARE FUND.] "Child care fund" means a program providing:

(1) financial assistance for child care to parents engaged in employment or education and training leading to employment; and

(2) grants to develop, expand, and improve the access and availability of child care services statewide.

Sec. 36. Minnesota Statutes 1989 Supplement, section 256H.03, subdivision 2, is amended to read:

Subd. 2. [ALLOCATION; LIMITATIONS.] The commissioner shall allocate ~~66 percent of~~ the money appropriated under the child care fund for the basic sliding fee program and shall allocate those funds between the metropolitan area, comprising the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, and the area outside the metropolitan area as follows:

(1) 50 percent of the money shall be allocated among the counties on the basis of the number of families below the poverty level, as determined from the most recent census or special census; and

(2) 50 percent of the money shall be allocated among the counties on the basis of the counties' portion of the AFDC caseload for the preceding state fiscal year.

If, under the preceding formula, either the seven-county metropolitan area consisting of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington counties or the area consisting of counties outside the seven-county metropolitan area is allocated more than 55 percent of the basic sliding fee funds, each county's allocation in that area shall be proportionally reduced until the total for the area is no more than 55 percent of the basic sliding fee funds. The amount of the allocations proportionally reduced shall be used to proportionally increase each county's allocation in the other area.

Sec. 37. Minnesota Statutes 1989 Supplement, section 256H.03, subdivision 2a, is amended to read:

Subd. 2a. [ELIGIBLE RECIPIENTS.] Families that meet the eligibility requirements under sections 256H.10, except AFDC recipients and transition year families, and 256H.11 are eligible for child care assistance under the basic sliding fee program. From July 1, 1990, to June 30, 1991, a county may not accept new applications for the basic sliding fee program unless the county can demonstrate that its expenditure of state money for the basic sliding fee program during this period will not exceed 95 percent of the county's allocation of state money for the fiscal year ending June 30, 1991. Families enrolled in the basic sliding fee program as of July 1, 1990,

shall be continued until they are no longer eligible. Counties shall make vendor payments to the child care provider or pay the parent directly for eligible child care expenses on a reimbursement basis.

Sec. 38. Minnesota Statutes 1989 Supplement, section 256H.03, subdivision 2b, is amended to read:

Subd. 2b. [FUNDING PRIORITY.] (a) First priority for child care assistance under the basic sliding fee program must be given to eligible ~~recipients~~ non-AFDC families who do not have a high school or general equivalency diploma or who need remedial and basic skill courses in order to pursue employment or to pursue education leading to employment. ~~Priority for child care assistance under the basic sliding fee program must be given to non-AFDC families for this first priority unless a county can demonstrate that funds available in the AFDC child care program allocation are inadequate to serve all AFDC families needing child care services.~~ Within this priority, the following subpriorities must be used:

(1) child care needs of minor parents;

(2) child care needs of parents under 21 years of age; and

(3) child care needs of other parents within the priority group described in this paragraph.

(b) Second priority must be given to all other parents who are eligible for the basic sliding fee program.

Sec. 39. Minnesota Statutes 1989 Supplement, section 256H.05, subdivision 1b, is amended to read:

Subd. 1b. [ELIGIBLE RECIPIENTS.] Families eligible for guaranteed child care assistance under the AFDC child care program are: ~~families receiving AFDC and former AFDC recipients who, during their first year of employment, continue to require a child care subsidy in order to retain employment. The commissioner shall designate between 20 to 60 percent of the AFDC child care program as the minimum to be reserved for AFDC recipients in an educational program. If a family meets the eligibility requirements of the AFDC child care program and the caregiver has an approved employability plan that meets the requirements of appropriate federal reimbursement programs, that family is eligible for child care assistance.~~

(1) persons receiving services under section 256.736;

(2) AFDC recipients who are employed; and

(3) persons who are members of transition year families under section 256H.01, subdivision 16.

Sec. 40. Minnesota Statutes 1989 Supplement, section 256H.05, subdivision 1c, is amended to read:

Subd. 1c. [FUNDING PRIORITY.] ~~Priority for child care assistance under the AFDC child care program shall be given to AFDC priority groups who are engaged in an employment or education program consistent with their employability plan. If the AFDC recipient is employed, the AFDC child care disregard shall be applied before the remaining child care costs are subsidized by the AFDC child care program. AFDC recipients leaving AFDC due to their earned income, who have been on AFDC three out of the last six months and who apply for child care assistance under subdivision 1b within the first year after leaving AFDC, shall be entitled to one year of child care subsidies during the first year of employment.~~ AFDC recipients must be put on a waiting list for the basic sliding fee program when they leave AFDC due to their earned income.

Sec. 41. Minnesota Statutes 1989 Supplement, section 256H.05, subdivision 2, is amended to read:

Subd. 2. [COOPERATION WITH OTHER PROGRAMS.] The county shall develop cooperative agreements with the employment and training service provider for coordination of child care funding with employment, training, and education programs for all AFDC recipients who receive services under section 256.736. The cooperative agreement shall specify that individuals receiving employment, training, and education services under an employability plan from the employment and training service provider shall, ~~as resources permit,~~ be guaranteed child care assistance from the county ~~of their residence~~ responsible for the current employability development plan.

Sec. 42. Minnesota Statutes 1989 Supplement, section 256H.05, subdivision 5, is amended to read:

Subd. 5. [FEDERAL REIMBURSEMENT.] Counties shall maximize their federal reimbursement under ~~the AFDC special needs program~~ Public Law Number 100-485 or other federal reimbursement programs for money spent for persons listed in this section ~~and section 256H.03~~. The commissioner shall allocate any federal earnings to the county to be used to expand child care services under these sections.

Sec. 43. Minnesota Statutes 1989 Supplement, section 256H.08, is amended to read:

256H.08 [USE OF MONEY.]

Money for persons listed in sections 256H.03, subdivision 2a, and 256H.05, subdivision 1b, shall be used to reduce the costs of child care for students, including the costs of child care for students while employed if enrolled in an eligible education program at the same time and making satisfactory progress towards completion of the program. Counties may not limit the duration of child care subsidies for a person in an employment or educational program, except when the person is found to be ineligible under the child care fund eligibility standards. Any limitation must be based on a person's employability plan in the case of an AFDC recipient, and county policies included in the child care allocation plan. Time limitations for child care assistance, as specified in Minnesota Rules, parts 9565.5000 to 9565.5200, do not apply to basic or remedial educational programs needed to prepare for post-secondary education or employment. These programs include: high school, general equivalency diploma, and English as a second language. Programs exempt from this time limit must not run concurrently with a post-secondary program. Financially eligible students who have received child care assistance for one academic year shall be provided child care assistance in the following academic year if funds allocated under sections 256H.03 and 256H.05. If ~~a student~~ an AFDC recipient who is receiving AFDC child care assistance under this chapter moves to another county as ~~specified~~ authorized in their employability plan, continues to ~~be enrolled in a post-secondary institution, and continues to be eligible for AFDC child care assistance under this chapter, the student must receive continued child care assistance from their county of origin without interruption to the limit of the county's allocation~~ participate in educational or training programs authorized in their employability development plans, and continues to be eligible for AFDC child care assistance under this chapter, the AFDC caretaker must receive continued child care assistance from the county responsible for their current employability development plan, without interruption.

Sec. 44. Minnesota Statutes 1989 Supplement, section 256H.09, subdivision 1, is amended to read:

Subdivision 1. [QUARTERLY REPORTS.] The commissioner shall specify requirements for reports, including quarterly fiscal reports, according to section 256.01, subdivision 2, paragraph (17). Counties shall submit on forms prescribed by the commissioner a quarterly financial and program activity report. The failure to submit a complete report by the end of the quarter in which the report is due may result in a reduction of child care fund allocations equal to the next quarter's allocation. The financial and program activity report must include:

(1) a detailed accounting of the expenditures and revenues for the program during the preceding quarter by funding source and by eligibility group;

(2) a description of activities and concomitant expenditures that are federally reimbursable under ~~the AFDC employment special needs program and other~~ federal reimbursement programs;

(3) a description of activities and concomitant expenditures of child care money;

(4) information on money encumbered at the quarter's end but not yet reimbursable, for use in adjusting allocations as provided in ~~sections~~ section 256H.03, subdivision 3~~, and 256H.05, subdivision 1a~~; and

(5) other data the commissioner considers necessary to account for the program or to evaluate its effectiveness in preventing and reducing participants' dependence on public assistance and in providing other benefits, including improvement in the care provided to children.

Sec. 45. Minnesota Statutes 1988, section 256H.10, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY FACTORS.] Child care services must be available to families who need child care to find or keep employment or to obtain the training or education necessary to find employment and who:

(a) receive aid to families with dependent children and are receiving employment and training services under section 256.736;

(b) have household income below the eligibility levels for aid to families with dependent children; or

(c) have household income within a range established by the commissioner.

(d) Child care services for the families receiving aid to families with dependent children must be made available as in-kind services, to cover any difference between the actual cost and the amount disregarded under the aid to families with dependent children program. Child care services to families whose incomes are below the threshold of eligibility for aid to families with dependent children, but that are not receiving aid to families with dependent children, must be made available without cost to the families.

Sec. 46. Minnesota Statutes 1989 Supplement, section 256H.10, subdivision 3, is amended to read:

Subd. 3. [PRIORITIES; ALLOCATIONS.] ~~If more than 75 percent of the available money is provided to any one of the groups described in section 256H.03 or 256H.05, the county board shall document to~~

~~the commissioner the reason the group received a disproportionate share unless approved in the plan.~~ If a county projects that its child care allocation is insufficient to meet the needs of all eligible groups, it may prioritize among the groups that remain to be served after the county has complied with the priority requirements of ~~sections~~ section 256H.03 ~~and 256H.05~~. Counties that have established a priority for non-AFDC families beyond those established under section 256H.03 must submit the policy in the annual allocation plan.

Sec. 47. Minnesota Statutes 1988, section 256H.10, subdivision 4, is amended to read:

Subd. 4. [ELIGIBILITY; ANNUAL INCOME; CALCULATION.] Annual income of the applicant family is the current monthly income of the family multiplied by 12 or the income for the 12-month period immediately preceding the date of application, ~~whichever~~ or income calculated by the method which provides the most accurate assessment of income available to the family. Self-employment income must be calculated based on gross receipts less operating expenses. Income must be redetermined when the family's income changes, but no less often than every six months. Income must be verified with documentary evidence. If the applicant does not have sufficient evidence of income, verification must be obtained from the source of the income.

Sec. 48. Minnesota Statutes 1989 Supplement, section 256H.11, subdivision 1, is amended to read:

Subdivision 1. [ASSISTANCE FOR PERSONS SEEKING AND RETAINING EMPLOYMENT.] Persons who are seeking employment and who are eligible for assistance under this section are eligible to receive the equivalent of up to one month of child care. Employed persons who work at least ten hours a week and receive at least a minimum wage for all hours worked are eligible for continued child care assistance.

Sec. 49. Minnesota Statutes 1989 Supplement, section 256H.15, subdivision 1, is amended to read:

Subdivision 1. [SUBSIDY RESTRICTIONS.] The county board may limit the subsidy allowed by setting a maximum on the provider child care rate that the county shall subsidize. The maximum rate set by any county shall not be lower than 110 percent or higher than 125 percent of the median rate in that county for like care arrangements for all types of care, including special needs and handicapped care, as determined by the commissioner. If the county sets a maximum rate, it must pay the provider's rate for each child receiving a subsidy, up to the maximum rate set by the county. ~~In order to be reimbursed for more than 110 percent of the median rate, a provider with employees must pay wages for teachers, assistants,~~

~~and aides that are more than 110 percent of the county~~ average ~~rate for child care workers.~~ If a county does not set a maximum provider rate, it shall pay the provider's rate for every child in care. The maximum state payment is 125 percent of the median provider rate. If the county has not set a maximum provider rate and the provider rate is greater than 125 percent of the median provider rate in the county, the county shall pay the amount in excess of 125 percent of the median provider rate from county funding sources. The county shall pay the provider's full charges for every child in care, up to the maximum established. The commissioner shall determine the maximum rate for each type of care, including special needs and handicapped care. When the provider charge is greater than the maximum provider rate ~~set by the county~~ allowed, the parent is responsible for payment of the difference in the rates in addition to any family copayment fee.

Sec. 50. Minnesota Statutes 1989 Supplement, section 256H.15, subdivision 2, is amended to read:

Subd. 2. [PROVIDER RATE BONUS FOR ACCREDITATION.] Currently accredited child care centers shall be paid a ~~five~~ ten percent bonus above the maximum rate established ~~by the county~~ in subdivision 1, ~~if the center can demonstrate that its staff wages are greater than 110 percent of the average wages in the county for similar care,~~ up to the actual provider rate. A family day care provider shall be paid a ~~five~~ ten percent bonus above the maximum rate established ~~by the county~~ in subdivision 1, if the provider holds a current ~~child~~ early childhood development ~~associate certificate~~ credential approved by the commissioner, up to the actual provider rate. ~~A county is not required to review wages under this subdivision unless the county has set a maximum above 110 percent for all providers with employees in their county.~~

Sec. 51. Minnesota Statutes 1988, section 256H.17, is amended to read:

256H.17 [EXTENSION OF EMPLOYMENT OPPORTUNITIES.]

The county board shall insure that child care services available to ~~county~~ eligible residents are well advertised and that everyone who receives or applies for aid to families with dependent children is informed of training and employment opportunities and programs, including child care assistance nd child care resource and referral services.

Sec. 52. Minnesota Statutes 1989 Supplement, section 256H.21, subdivision 9, is amended to read:

Subd. 9. [MINI-GRANTS.] "Mini-grants" means child care grants for facility improvements that are ~~less than~~ up to $1,000. Mini-grants include, but are not limited to, improvements to meet

licensing requirements, improvements to expand a child care facility or program, toys and equipment, start-up costs, staff training, and development costs.

Sec. 53. Minnesota Statutes 1989 Supplement, section 256H.22, subdivision 2, is amended to read:

Subd. 2. [DISTRIBUTION OF FUNDS.] (a) The commissioner shall allocate grant money appropriated for child care service ~~(development and resource and referral services)~~ among the development regions designated by the governor under section 462.385, as follows:

(1) 50 percent of the child care service development grant appropriation shall be allocated to the metropolitan ~~area~~ economic development region; and

(2) 50 percent of the child care service development grant appropriation shall be allocated to ~~greater Minnesota counties~~ economic development regions other than the metropolitan economic development region.

(b) The following formulas shall be used to allocate grant appropriations among the ~~counties~~ economic development regions:

(1) 50 percent of the funds shall be allocated in proportion to the ratio of children under 12 years of age in each ~~county~~ economic development region to the total number of children under 12 years of age in all ~~counties~~ economic development regions; and

(2) 50 percent of the funds shall be allocated in proportion to the ratio of children under 12 years of age in each ~~county~~ economic development region to the number of licensed child care spaces currently available in each ~~county~~ economic development region.

(c) Out of the amount allocated for each economic development region ~~and county~~, the commissioner shall award grants based on the recommendation of the grant review advisory task force. In addition, the commissioner shall award no more than 75 percent of the money either to child care facilities for the purpose of facility improvement or interim financing or to child care workers for staff training expenses. ~~The commissioner shall award no more than 50 percent of the money for resource and referral services to maintain or improve an existing resource and referral until all regions are served by resource and referral programs.~~

(d) Any funds unobligated may be used by the commissioner to award grants to proposals that received funding recommendations by the advisory task force but were not awarded due to insufficient funds.

Sec. 54. Minnesota Statutes 1989 Supplement, section 256H.22, subdivision 3, is amended to read:

Subd. 3. [CHILD CARE REGIONAL ADVISORY COMMITTEES.] Child care regional advisory committees shall review and make recommendations to the commissioner on applications for service development grants under this section. The commissioner shall appoint the child care regional advisory committees in each governor's economic development regions. People appointed under this subdivision must represent the following constituent groups: family child care providers, group center providers, parent users, health services, social services, public schools, and other citizens with demonstrated interest in child care issues. Members of the advisory task force with a direct financial interest in a pending grant proposal may not provide a recommendation or participate in the ranking of that grant proposal. Committee members may be reimbursed for their actual travel, child care, and child care provider substitute expenses for up to six committee meetings per year. The child care regional advisory committees shall complete their reviews and forward their recommendations to the commissioner by the date specified by the commissioner.

Sec. 55. Minnesota Statutes 1989 Supplement, section 256H.22, subdivision 10, is amended to read:

Subd. 10. [ADVISORY TASK FORCE.] The commissioner shall convene a statewide advisory task force which shall advise the commissioner on grants and other child care issues. The statewide advisory task force shall review and make recommendations to the commissioner on child care resource and referral grants and on statewide service development and child care training grants. Members of the advisory task force with a direct financial interest in a resource and referral or a statewide training proposal may not provide a recommendation or participate in the ranking of that grant proposal. Each regional grant review committee formed under subdivision 3, shall appoint a representative to the advisory task force. The commissioner may convene meetings of the task force as needed. Terms of office and removal from office are governed by the appointing body. The commissioner may compensate members for their ~~expenses of~~ travel ~~to~~, child care, and child care provider substitute expenses for meetings of the task force. The members of the child care advisory task force shall also meet once with the interagency advisory committee on child care under section 256H.25.

Sec. 56. Minnesota Statutes 1989 Supplement, section 268.0111, subdivision 4, is amended to read:

Subd. 4. [EMPLOYMENT AND TRAINING SERVICES.] "Employment and training services" means programs, activities, and services related to job training, job placement, and job creation

including job service programs, job training partnership act programs, wage subsidies, work readiness programs, job search, counseling, case management, community work experience programs, displaced homemaker programs, disadvantaged job training programs, grant diversion, employment experience programs, youth employment programs, conservation corps, apprenticeship programs, community investment programs, ~~supported work programs,~~ community development corporations, economic development programs, and opportunities industrialization centers.

Sec. 57. Minnesota Statutes 1988, section 268.673, subdivision 3, is amended to read:

Subd. 3. [DEPARTMENT OF JOBS AND TRAINING.] The commissioner shall supervise wage subsidies and shall provide technical assistance to the ~~eligible~~ local service units for the purpose of delivering wage subsidies.

Sec. 58. Minnesota Statutes 1988, section 268.673, subdivision 5, is amended to read:

Subd. 5. [REPORT.] Each entity delivering wage subsidies shall report to the commissioner ~~and the coordinator~~ on a quarterly basis:

(1) the number of persons placed in private sector jobs, in temporary public sector jobs, or in other services;

(2) the outcome for each participant placed in a private sector job, in a temporary public sector job, or in another service;

(3) the number and type of employers employing persons under the program;

(4) the amount of money spent in each ~~eligible~~ local service unit for wages for each type of employment and each type of other expense;

(5) the age, educational experience, family status, gender, priority group status, race, and work experience of each person in the program;

(6) the amount of wages received by persons while in the program and 60 days after completing the program;

(7) for each classification of persons described in clause (5), the outcome of the wage subsidy placement, including length of time employed; nature of employment, whether private sector, temporary public sector, or other service; and the hourly wages; and

(8) any other information requested by the commissioner. Each report must include cumulative information, as well as information for each quarter.

Data collected on individuals under this subdivision are private data on individuals as defined in section 13.02, subdivision 12, except that summary data may be provided under section 13.05, subdivision 7.

Sec. 59. Minnesota Statutes 1988, section 268.6751, subdivision 1, is amended to read:

Subdivision 1. [WAGE SUBSIDIES.] Wage subsidy money must be allocated to ~~eligible~~ local service units in the following manner:

(a) The commissioner shall allocate 87.5 percent of the funds available for allocation to ~~eligible~~ local service units for wage subsidy programs as follows: the proportion of the wage subsidy money available to each ~~eligible~~ local service unit must be based on the number of unemployed persons in the ~~eligible~~ local service unit for the most recent six-month period and the number of work readiness assistance cases and aid to families with dependent children cases in the ~~eligible~~ local service unit for the most recent six-month period.

(b) Five percent of the money available for wage subsidy programs must be allocated at the discretion of the commissioner.

(c) Seven and one-half percent of the money available for wage subsidy programs must be allocated at the discretion of the commissioner to provide jobs for residents of federally recognized Indian reservations.

(d) By December 31 of each fiscal year, providers and local service units receiving wage subsidy money shall report to the commissioner on the use of allocated funds. The commissioner shall reallocate uncommitted funds for each fiscal year according to the formula in paragraph (a).

Sec. 60. Minnesota Statutes 1988, section 268.676, subdivision 2, is amended to read:

Subd. 2. [AMONG EMPLOYERS.] Allocation of funds among eligible employers within ~~an eligible~~ a local service unit shall give priority to funding private sector jobs to the extent that eligible businesses apply for funds. If possible, no more than 25 percent of the statewide funds available for wages may be allocated for temporary jobs with eligible government and nonprofit agencies, or for temporary community investment program jobs with eligible government agencies during the biennium. This subdivision does not

apply to jobs for residents of federally recognized Indian reservations.

Sec. 61. Minnesota Statutes 1988, section 268.677, subdivision 2, is amended to read:

Subd. 2. Reimbursement to the commissioner for the costs of administering wage subsidies must not exceed one-half percent of the money appropriated. Reimbursement to an ~~eligible~~ local service unit for the costs of administering wage subsidies must not exceed five percent and for the purchase of supplies and materials necessary to create permanent improvements to public property must not exceed one percent of the money allocated to that local service unit. The commissioner and the ~~eligible~~ local service units shall reallocate money from other sources to cover the costs of administering wage subsidies whenever possible.

Sec. 62. Minnesota Statutes 1988, section 268.677, subdivision 3, is amended to read:

Subd. 3. ~~Eligible~~ Local service units may use up to 25 percent of their wage subsidy allocations to provide eligible applicants with job search assistance, labor market orientation, job seeking skills, necessary child care services, relocation, and transportation, and to subsidize fringe benefits.

Sec. 63. Minnesota Statutes 1988, section 268.678, is amended to read:

268.678 [~~ELIGIBLE~~ LOCAL SERVICE UNITS; POWERS AND DUTIES.]

Subdivision 1. [GENERAL POWERS.] ~~Eligible~~ Local service units have the powers and duties given in this section and any additional duties given by the commissioner.

Subd. 3. [OUTREACH.] Each ~~eligible~~ local service unit shall publicize the availability of wage subsidies within its area to seek maximum participation by eligible job applicants and employers.

Subd. 4. [CONTRACTS.] Each ~~eligible~~ local service unit that has not agreed to a contract under section 268.673, subdivision 4a, may enter into contracts with certified service providers to deliver wage subsidies.

Subd. 5. [SCREENING AND COORDINATION.] Each ~~eligible~~ local service unit shall provide for the screening of job applicants and employers to achieve the best possible placement of eligible job applicants with eligible employers.

Subd. 6. [ELIGIBLE JOB APPLICANT PRIORITY LISTS.] Each ~~eligible~~ local service unit shall provide for the maintenance of a list of eligible job applicants unable to secure employment under the program at the time of application. The list shall prioritize eligible job applicants and shall be used to fill jobs with eligible employers as they become available.

Sec. 64. Minnesota Statutes 1988, section 268.681, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBLE BUSINESSES.] A business employer is an eligible employer if it enters into a written contract, signed and subscribed to under oath, with an ~~eligible~~ local service unit or its contractor, containing assurances that:

(a) funds received by a business shall be used only as permitted under sections 268.672 to 268.682;

(b) the business has submitted information to the ~~eligible~~ local service unit or its contractor (1) describing the duties and proposed compensation of each employee proposed to be hired under the program; and (2) demonstrating that, with the funds provided under sections 268.672 to 268.682, the business is likely to succeed and continue to employ persons hired using wage subsidies;

(c) the business will use funds exclusively for compensation and fringe benefits of eligible job applicants and will provide employees hired with these funds with fringe benefits and other terms and conditions of employment comparable to those provided to other employees of the business who do comparable work;

(d) the funds are necessary to allow the business to begin, or to employ additional people, but not to fill positions which would be filled even in the absence of wage subsidies;

(e) the business will cooperate with the ~~eligible~~ local service unit and the commissioner in collecting data to assess the result of wage subsidies; and

(f) the business is in compliance with all applicable affirmative action, fair labor, health, safety, and environmental standards.

Sec. 65. Minnesota Statutes 1988, section 268.681, subdivision 2, is amended to read:

Subd. 2. [PRIORITIES.] (a) In allocating funds among eligible businesses, the ~~eligible~~ local service unit or its contractor shall give priority to:

(1) businesses engaged in manufacturing;

(2) nonretail businesses that are small businesses as defined in section 645.445; and

(3) businesses that export products outside the state.

(b) In addition to paragraph (a), ~~an eligible~~ a local service unit must give priority to businesses that:

(1) have a high potential for growth and long-term job creation;

(2) are labor intensive;

(3) make high use of local and Minnesota resources;

(4) are under ownership of women and minorities;

(5) make high use of new technology;

(6) produce energy conserving materials or services or are involved in development of renewable sources of energy; and

(7) have their primary place of business in Minnesota.

Sec. 66. Minnesota Statutes 1988, section 268.681, subdivision 3, is amended to read:

Subd. 3. [PAYBACK.] A business receiving wage subsidies shall repay 70 percent of the amount initially received for each eligible job applicant employed, if the employee does not continue in the employment of the business beyond the six-month subsidized period. If the employee continues in the employment of the business for one year or longer after the six-month subsidized period, the business need not repay any of the funds received for that employee's wages. If the employee continues in the employment of the business for a period of less than one year after the expiration of the six-month subsidized period, the business shall receive a proportional reduction in the amount it must repay. If an employer dismisses an employee for good cause and works in good faith with the ~~eligible~~ local service unit or its contractor to employ and train another person referred by the ~~eligible~~ local service unit or its contractor, the payback formula shall apply as if the original person had continued in employment.

A repayment schedule shall be negotiated and agreed to by the ~~eligible~~ local service unit and the business prior to the disbursement of the funds and is subject to renegotiation. The ~~eligible~~ local service unit shall forward 25 percent of the payments received under this subdivision to the commissioner on a monthly basis and shall retain the remaining 75 percent for local program expenditures. Notwithstanding section 268.677, subdivision 2, the local service unit may

use up to 20 percent of its share of the funds returned under this subdivision for any administrative costs associated with the collection of the funds under this subdivision. At least 80 percent of the local service unit's share of the funds returned under this subdivision must be used as provided in section 268.677. The commissioner shall deposit payments forwarded to the commissioner under this subdivision in the Minnesota wage subsidy account created by subdivision 4.

Sec. 67. Minnesota Statutes 1989 Supplement, section 268.86, subdivision 2, is amended to read:

Subd. 2. [INTERAGENCY AGREEMENTS.] By October 1, 1987, the commissioner and the commissioner of human services shall enter into a written contract for the design, delivery, and administration of employment and training services for applicants for or recipients of food stamps or aid to families with dependent children and work readiness, including AFDC employment and training programs, and general assistance or work readiness grant diversion~~, and supported work~~. The contract ~~must be approved by the coordinator and~~ must address:

(1) specific roles and responsibilities of each department;

(2) assignment and supervision of staff for interagency activities including any necessary interagency employee mobility agreements under the administrative procedures of the department of employee relations;

(3) mechanisms for determining the conditions under which individuals participate in services, their rights and responsibilities while participating, and the standards by which the services must be administered;

(4) procedures for providing technical assistance to local service units, Indian tribes, and employment and training service providers;

(5) access to appropriate staff for ongoing development and interpretation of policy, rules, and program standards;

(6) procedures for reimbursing appropriate agencies for administrative expenses; and

(7) procedures for accessing available federal funds.

Sec. 68. Minnesota Statutes 1988, section 268.86, subdivision 8, is amended to read:

Subd. 8. [GRANT DIVERSION.] The commissioner shall develop grant diversion processes for recipients of ~~aid to families with~~

~~dependent children~~ general assistance and work readiness assistance payments and shall supervise the counties in the administration of the employment and training services to meet the needs and circumstances of ~~public assistance~~ these recipients. A grant diversion program that places general assistance and work readiness recipients in public sector employment must operate as a community investment program under section 268.90.

Sec. 69. Minnesota Statutes 1988, section 268.871, subdivision 1, is amended to read:

Subdivision 1. [RESPONSIBILITY AND CERTIFICATION.] (a) Unless prohibited by federal law or otherwise determined by state law, a local service unit is responsible for the delivery of employment and training services. After February 1, 1988, employment and training services must be delivered by certified employment and training service providers.

(b) The local service unit's employment and training service provider must meet the certification standards in this subdivision in order to be certified to deliver any of the following employment and training services and programs: wage subsidies; work readiness; work readiness and general assistance grant diversion; food stamp employment and training programs; community work experience programs; AFDC job search; AFDC grant diversion; AFDC on-the-job training; and AFDC case management.

(c) The commissioner shall certify a local service unit's service provider to provide these employment and training services and programs if the commissioner determines that the provider has:

(1) past experience in direct delivery of the programs specified in paragraph (b);

(2) staff capabilities and qualifications, including adequate staff to provide timely and effective services to clients, and proven staff experience in providing specific services such as assessments, career planning, job development, job placement, support services, and knowledge of community services and educational resources;

(3) demonstrated effectiveness in providing services to public assistance recipients and other economically disadvantaged clients; and

(4) demonstrated administrative capabilities, including adequate fiscal and accounting procedures, financial management systems, participant data systems, and record retention procedures.

(d) When the only service provider that meets the criterion in paragraph (c), clause (1), has been decertified, pursuant to subdivi-

sion 1a, in that local service unit, the following criteria shall be substituted: past experience in direct delivery of multiple, coordinated, nonduplicative services, including outreach, assessments, identification of client barriers, employability development plans, and provision or referral to support services.

Employment and training service providers shall be certified by the commissioner for two fiscal years beginning July 1, 1991, and every second year thereafter.

Sec. 70. Minnesota Statutes 1988, section 268.871, is amended by adding a subdivision to read:

Subd. 1a. [DECERTIFICATION.] (a) The department, on its own initiative, or at the request of the local service unit, shall begin decertification processes for employment and training service providers who:

(1) no longer meet one or more of the certification standards;

(2) are delivering services in a manner that does not comply with the Family Support Act of 1988, Public Law Number 100-485 or relevant state law after corrective actions have been cited, technical assistance has been provided, and a reasonable period of time for remedial action has been provided; or

(3) are not complying with other state and federal laws or policy which are necessary for effective delivery of services.

(b) The initiating of decertification processes shall not result in decertification of the service provider unless and until adequate fact-finding and investigation has been performed by the department.

Sec. 71. Minnesota Statutes 1988, section 268.871, subdivision 2, is amended to read:

Subd. 2. [CONTRACTING ~~PREFERENCE~~ RESPONSIBILITY.] ~~In contracting,~~ A local service unit must ~~give preference, whenever possible, to~~ contract with certified employment and training service providers that can effectively coordinate federal, state, and local employment and training services; that can maximize use of available federal and other nonstate funds; and that have demonstrated the ability to ~~serve~~ achieve effective results in serving public assistance clients as well as other unemployed people.

Sec. 72. Minnesota Statutes 1989 Supplement, section 268.88, is amended to read:

268.88 [LOCAL SERVICE UNIT PLANS.]

(a) ~~Local service units shall prepare and submit to the commissioner by April 15 of each year 1990 an annual plan for the subsequent fiscal year.~~ By April 15, 1991, and by April 15 of each second year thereafter, local service units shall prepare and submit to the commissioner a plan that covers the next two state fiscal years. The commissioner shall notify each local service unit within 60 days of receipt of its plan that the plan has been approved or disapproved. The plan must include:

(1) a statement of objectives for the employment and training services the local service unit administers;

(2) the establishment of public assistance caseload reduction goals and the strategies and programs that will be used to achieve these goals;

(3) a statement of whether the goals from the preceding year were met and an explanation if the local service unit failed to meet the goals;

(4) the amount proposed to be allocated to each employment and training service;

(5) the proposed types of employment and training services the local service unit plans to utilize;

(6) a description of how the local service unit will use funds provided under section 256.736 to meet the requirements of that section. The description must include the two work programs required by section 256.736, subdivision 10, paragraph (a), clause (13), what services will be provided, number of clients served, per service expenditures, type of clients served, and projected outcomes;

(7) a report on the use of wage subsidies, grant diversions, community investment programs, and other services administered under this chapter;

(8) ~~an annual update of the community investment program plan according to standards established by the commissioner;~~

~~(9)~~ a performance review of the employment and training service providers delivering employment and training services for the local service unit;

~~(10)~~ (9) a copy of any contract between the local service unit and an employment and training service provider including expected outcomes and service levels for public assistance clients; and

~~(11)~~ (10) a copy of any other agreements between educational institutions, family support services, and child care providers.

(b) In counties with a city of the first class, the county and the city shall develop and submit a joint plan. The plan may not be submitted until agreed to by both the city and the county. The plan must provide for the direct allocation of employment and training money to the city and the county unless waived by either. If the county and the city cannot concur on a plan, the commissioner shall resolve their dispute. In counties in which a federally recognized Indian tribe is operating an employment and training program under an agreement with the commissioner of human services, the plan must provide that the county will coordinate its employment and training programs, including developing a system for referrals, sanctions, and the provision of supporting services such as access to child care funds and transportation with programs operated by the Indian tribe. The plan may not be given final approval by the commissioner until the tribal unit and county have submitted written agreement on these provisions in the plan. If the county and Indian tribe cannot agree on these provisions, the local service unit shall notify the commissioner of jobs and training and the commissioners of jobs and training and human services shall resolve the dispute.

(c) The commissioner may withhold the distribution of employment and training money from a local service unit that does not submit a plan to the commissioner by the date set by this section, and shall withhold the distribution of employment and training money from a local service unit whose plan has been disapproved by the commissioner until an acceptable amended plan has been submitted.

(d) ~~Notwithstanding Minnesota Statutes 1988, section 268.88, local service units shall prepare and submit to the commissioner by June 1, 1989, an annual plan for fiscal year 1990. The commissioner shall notify each local service unit within 30 days of receipt of its plan if its plan has been approved or disapproved.~~ Beginning April 15, 1992, and by April 15 of each second year thereafter, local service units must prepare and submit to the commissioner an interim year plan update that deals with performance in that state fiscal year and changes anticipated for the second year of the biennium. The update must include information about employment and training programs addressed in the local service unit's two-year plan and shall be completed in accordance with criteria established by the commissioner.

Sec. 73. Minnesota Statutes 1989 Supplement, section 268.881, is amended to read:

268.881 [INDIAN TRIBE PLANS.]

~~The commissioner, in consultation with the commissioner of human services, shall review and comment on Indian tribe plans submitted to the commissioner for provision of employment and~~

~~training services. The plan must be submitted by April 15 for the state fiscal year ending June 30, 1990. For subsequent years, the plan must be submitted at least 60 days before the program commences. The commissioner shall approve or disapprove the plan for the state fiscal year ending June 30, 1990, within 30 days of receipt. The commissioner shall notify the Indian tribe of approval or disapproval of plans for subsequent years within 60 days of submission of the plans. The grant proposal must contain information that has been established by the commissioner and the commissioner of human services for the employment and training services grant program for Indian tribes.~~

(a) The commissioner, in consultation with the commissioner of human services, shall review and comment on Indian tribe plans submitted to the commissioner for provision of employment and training services. Beginning April 15, 1991, and by April 15 of each second year thereafter, the Indian tribe shall prepare and submit to the commissioner a plan that covers the next two state fiscal years. Beginning April 15, 1992, and by April 15 of each second year thereafter, the Indian tribe shall prepare and submit to the commissioner an interim year plan update that deals with performance during the past state fiscal year and that covers changes anticipated for the second year of the biennium. The commissioner shall notify the Indian tribe of approval or disapproval of the plans and updates for existing programs within 60 days of submission.

(b) A plan for a new tribal program must be submitted at least 45 days before the program is to commence. The commissioner shall approve or disapprove the plan for new programs within 30 days of receipt.

(c) The tribal plan and update must contain information that has been established by the commissioner and the commissioner of human services for the tribal employment and training service program.

(d) The commissioner may recommend to the commissioner of human services withholding the distribution of employment and training money from a tribe whose plan or update is disapproved by the commissioner or a tribe that does not submit a plan or update by the date established in this section.

Sec. 74. Minnesota Statutes 1988, section 268.90, subdivision 1, is amended to read:

Subdivision 1. Community investment programs provide temporary employment to people who are experiencing prolonged unemployment and economic hardship. Community investment programs consist of one or more projects. Community investment programs must be beneficial to the state and the communities in which they are located and must provide program ~~employees~~ participants with

training and work experience that will enhance their employability. The projects must include activities that:

(1) expand or improve services, including education, health, social services, recreation, and safety;

(2) improve or maintain natural resources, including rivers, streams and lakes, forest lands and roads, and soil conservation;

(3) make permanent improvements to lands and buildings; or

(4) weatherize public buildings and private residential dwellings.

Community investment programs may not include job placements that replace work that was part or all of the duties or responsibilities of an authorized public employee position established as of January 1, 1985.

Community investment programs that include other sources of money or authorized programs may provide employment for the groups eligible for the included programs under the terms and conditions of those programs. These programs include the Minnesota conservation corps, Minnesota summer youth program, county emergency jobs program, and the jobs training partnership act.

Sec. 75. Minnesota Statutes 1988, section 268.90, subdivision 3, is amended to read:

Subd. 3. [COMMISSIONER OF JOBS AND TRAINING.] The commissioner shall:

(1) Make emergency or permanent rules governing plan content, criteria for approval, and administrative standards;

(2) refer community investment program administrators to the appropriate state agency for technical assistance in developing and administering community investment programs;

(3) establish the method by which community investment programs will be approved or disapproved through the community investment program plan and the annual update component of the county plan;

(4) review and comment on community investment program plans;

(5) institute ongoing methods to monitor and evaluate community investment programs; and

(6) ~~inform~~ consult with the commissioner of human services ~~of~~ on the ~~counties that do not have an approved plan~~ approval of county

plans for community investment programs relating to the participation of public assistance recipients.

Sec. 76. Minnesota Statutes 1988, section 268.90, subdivision 4, is amended to read:

Subd. 4. [COUNTY BOARDS OF COMMISSIONERS.] The county boards of commissioners shall:

(1) be encouraged to establish community investment programs that are administered jointly according to section 471.59, or through multicounty human service boards under chapter 402;

(2) develop community investment programs in consultation with the exclusive representatives of their employees;

(3) plan community investment programs by involving nonprofit organizations and other governmental units, community action agencies, community-based organizations, local union representatives, and representatives of client groups;

(4) submit to the commissioner a community investment program plan identifying the program funding source and amount, before the initiation of a community investment program, for approval according to standards established by the commissioner;

(5) plan community investment projects that, whenever possible, utilize existing programs that are administered under contract by nonprofit organizations and governmental units, including departments and agencies of cities, counties, towns, school districts, state and federal agencies, park reserve districts, and other special districts;

(6) include in their local service unit plans an annual update to their community investment program plans for approval according to standards established by the commissioner;

(7) submit reports and meet administrative standards established by ~~rule~~ the commissioner;

(8) monitor the performance of entities under contract to administer individual community investment projects;

(9) enter into contracts with other governmental and private bodies to jointly fund or jointly administer approvable projects when agreements expand the resources available, the scope of people employed, or further recognized public purposes; and

(10) be encouraged to enter into contracts with businesses or

individuals for eligible projects under subdivision 1 and charge a fee for the completion of a project.

Sec. 77. [INSTRUCTION TO REVISOR.]

In the next edition of Minnesota Statutes, the revisor of statutes shall substitute the phrase "target group," "target groups," "targeted caretaker," or "targeted caretakers" for the phrases "priority group," "priority groups," "priority caretaker," or "priority caretakers wherever it appears in Minnesota Statutes, section 256.736. The revisor of statutes shall also substitute the phrase "county agency" or "county agencies" for the phrase "local agency" or "local agencies" wherever it appears in Minnesota Statutes, chapters 256 and 256D.

Sec. 78. [REPEALER.]

Subdivision 1. [AFDC PROGRAM.] Minnesota Statutes 1988, sections 256.736, subdivisions 1b, 2a, 8, and 17; and 256.7365, subdivision 8, are repealed.

Subd. 2. [GENERAL ASSISTANCE.] Minnesota Statutes 1988, section 256D.06, subdivision 1c, is repealed.

Subd. 3. [JOBS AND TRAINING.] Minnesota Statutes 1988, sections 268.672, subdivision 12; 268.86, subdivision 9; and 268.872, subdivision 3, are repealed.

Subd. 4. [CHILD CARE.] Minnesota Statutes 1988, sections 256H.01, subdivision 14, and 256H.16, are repealed. Minnesota Statutes 1989 Supplement, section 256H.05, subdivisions 1, 1a, and 3a, are repealed.

Sec. 79. [EFFECTIVE DATE.]

Subdivision 1. [AFDC; CHILD CARE.] Sections 1 to 17; 31 to 77; and 78, subdivisions 1, 3, and 4, are effective May 1, 1990.

Subd. 2. [GENERAL ASSISTANCE.] Section 23 is effective July 1, 1990.

Sections 18, 20 to 22; 24 to 30; and 78, subdivision 2, are effective October 1, 1990.

ARTICLE 5

MENTAL HEALTH

Section 1. Minnesota Statutes 1988, section 245.467, subdivision 2, is amended to read:

Subd. 2. [DIAGNOSTIC ASSESSMENT.] All providers of residential, acute care hospital inpatient, and regional treatment centers must complete a diagnostic assessment for each of their clients within five days of admission. Providers of outpatient and day treatment services must complete a diagnostic assessment within ~~ten~~ five days after the adult's second visit or within 30 days ~~of admission~~ after intake, whichever occurs first. In cases where a diagnostic assessment is available and has been completed within ~~90~~ 180 days preceding admission, only updating is necessary. "Updating" means a written summary by a mental health professional of the adult's current mental health status and service needs. If the adult's mental health status has changed markedly since the adult's most recent diagnostic assessment, a new diagnostic assessment is required. Compliance with the provisions of this subdivision does not ensure eligibility for medical assistance or general assistance medical care reimbursement under chapters 256B and 256D.

Sec. 2. Minnesota Statutes 1989 Supplement, section 245.467, subdivision 3, is amended to read:

Subd. 3. [INDIVIDUAL TREATMENT PLANS.] All providers of outpatient services, day treatment services, residential treatment, acute care hospital inpatient treatment, and all regional treatment centers must develop an individual treatment plan for each of their adult clients. The individual treatment plan must be based on a diagnostic assessment. To the extent possible, the adult client shall be involved in all phases of developing and implementing the individual treatment plan. Providers of residential treatment and acute care hospital inpatient treatment, and all regional treatment centers must develop the individual treatment plan ~~must be developed~~ within ten days of client intake and ~~reviewed~~ must review the individual treatment plan every 90 days ~~thereafter~~ after intake. Providers of outpatient services and day treatment services must develop the individual treatment plan within 30 days after the diagnostic assessment is completed or obtained, or within 15 days after the first outpatient or day treatment services are provided, whichever occurs first. Outpatient and day treatment services providers must review the individual treatment plan every 90 days after intake.

Sec. 3. Minnesota Statutes 1989 Supplement, section 245.469, is amended to read:

245.469 [EMERGENCY SERVICES.]

Subdivision 1. [AVAILABILITY OF EMERGENCY SERVICES.] By July 1, 1988, county boards must provide or contract for enough emergency services within the county to meet the needs of adults in the county who are experiencing an emotional crisis or mental illness. Clients may be required to pay a fee according to section

245.481. Emergency services must include assessment, crisis intervention, and appropriate case disposition. Emergency services must:

(1) promote the safety and emotional stability of adults with mental illness or emotional crises;

(2) minimize further deterioration of adults with mental illness or emotional crises;

(3) help adults with mental illness or emotional crises to obtain ongoing care and treatment; and

(4) prevent placement in settings that are more intensive, costly, or restrictive than necessary and appropriate to meet client needs.

Subd. 2. [SPECIFIC REQUIREMENTS.] The county board shall require that all service providers of emergency services to adults with mental illness provide immediate direct access to a mental health professional during regular business hours. For evenings, weekends, and holidays, the service may be by direct toll free telephone access to a mental health professional, a mental health practitioner, or until January 1, 1991, a designated person with training in human services who receives clinical supervision from a mental health professional. The commissioner may waive the requirement that the evening, weekend, and holiday service be provided by a mental health professional or mental health practitioner after January 1, 1991, if the county documents that:

(1) mental health professionals or mental health practitioners are unavailable to provide this service;

(2) services are provided by a designated person with training in human services who receives clinical supervision from a mental health professional; and

(3) the service provider is not also the provider of fire and public safety emergency services.

Whenever emergency service during nonbusiness hours is provided by anyone other than a mental health professional, a mental health professional must be available for at least telephone consultation within 30 minutes.

Sec. 4. Minnesota Statutes 1989 Supplement, section 245.4711, subdivision 1, is amended to read:

245.4711 [CASE MANAGEMENT ~~AND COMMUNITY SUPPORT~~ SERVICES.]

Subdivision 1. [AVAILABILITY OF CASE MANAGEMENT SERVICES.] (a) By January 1, 1989, the county board shall provide case management ~~activities~~ services for all adults with serious and persistent mental illness ~~residing in~~ who are residents of the county and who request or consent to the services and to each adult for whom the court appoints a case manager. Staffing ratios must be sufficient to serve the needs of the clients. The case manager must meet the requirements in section 245.462, subdivision 4.

(b) Case management services provided to adults with serious and persistent mental illness eligible for medical assistance must be billed to the medical assistance program under sections 256B.02, subdivision 8, and 256B.0625.

Sec. 5. Minnesota Statutes 1989 Supplement, section 245.4711, subdivision 2, is amended to read:

Subd. 2. [NOTIFICATION AND DETERMINATION OF CASE MANAGEMENT ELIGIBILITY.] (a) The county board shall notify the ~~client~~ adult of the ~~person's~~ adult's potential eligibility for case management services within five working days after receiving a request from an individual or a referral from a provider under section 245.467, subdivision 4. The county board shall send a written notice to the ~~client~~ adult and the ~~client's~~ adult's representative, if any, that identifies the designated case management providers.

(b) The county board must determine whether an adult who requests or is referred for case management services meets the criteria of section 245.462, subdivision 20, paragraph (c). If a diagnostic assessment is needed to make the determination, the county board shall offer to assist the adult in obtaining a diagnostic assessment. The county board shall notify, in writing, the adult and the adult's representative, if any, of the eligibility determination. If the adult is determined to be eligible for case management services, the county board shall refer the adult to the case management provider for case management services. If the adult is determined not to be eligible or refuses case management services, the local agency shall offer to refer the adult to a mental health provider or other appropriate service provider and to assist the adult in making an appointment with the provider of the adult's choice.

Sec. 6. Minnesota Statutes 1989 Supplement, section 245.4711, subdivision 3, is amended to read:

Subd. 3. [DUTIES OF CASE MANAGER.] ~~(a) The case manager shall promptly arrange for a diagnostic assessment of the applicant when one is not available as described in section 245.467, subdivision 2, to determine the applicant's eligibility as an adult with serious and persistent mental illness for community support services. The county board shall notify in writing the applicant and the~~

~~applicant's representative, if any, if the applicant is determined ineligible for community support services.~~

~~(b)~~ Upon a determination of eligibility for ~~community support~~ case management services, and if the adult consents to the services, the case manager shall complete a written functional assessment according to section 245.462, subdivision 11a. The case manager shall develop an individual community support plan for ~~an~~ the adult according to subdivision 4, paragraph (a), review the ~~client's~~ adult's progress, and monitor the provision of services. If services are to be provided in a host county that is not the county of financial responsibility, the case manager shall consult with the host county and obtain a letter demonstrating the concurrence of the host county regarding the provision of services.

Sec. 7. [245.4712] [COMMUNITY SUPPORT AND DAY TREATMENT SERVICES.]

Subdivision 1. [AVAILABILITY OF COMMUNITY SUPPORT SERVICES.] County boards must provide or contract for sufficient community support services within the county to meet the needs of adults with serious and persistent mental illness who are residents of the county. Adults may be required to pay a fee according to section 245.481. The community support services program must be designed to improve the ability of adults with serious and persistent mental illness to:

(1) work in a regular or supported work environment;

(2) handle basic activities of daily living;

(3) participate in leisure time activities;

(4) set goals and plans; and

(5) obtain and maintain appropriate living arrangements.

The community support services program must also be designed to reduce the need for and use of more intensive, costly, or restrictive placements both in number of admissions and length of stay.

Subd. 2. [DAY TREATMENT SERVICES PROVIDED.] (a) Day treatment services must be developed as a part of the community support services available to adults with serious and persistent mental illness residing in the county. Adults may be required to pay a fee according to section 245.481. Day treatment services must be designed to:

(1) provide a structured environment for treatment;

(2) provide support for residing in the community;

(3) prevent placement in settings that are more intensive, costly, or restrictive than necessary and appropriate to meet client need;

(4) coordinate with or be offered in conjunction with a local education agency's special education program; and

(5) operate on a continuous basis throughout the year.

(b) County boards may request a waiver from including day treatment services if they can document that:

(1) an alternative plan of care exists through the county's community support services for clients who would otherwise need day treatment services;

(2) day treatment, if included, would be duplicative of other components of the community support services; and

(3) county demographics and geography make the provision of day treatment services cost ineffective and infeasible.

Subd. 3. [BENEFITS ASSISTANCE.] The county board must offer to help adults with serious and persistent mental illness in applying for state and federal benefits, including supplemental security income, medical assistance, Medicare, general assistance, general assistance medical care, and Minnesota supplemental aid. The help must be offered as part of the community support program available to adults with serious and persistent mental illness for whom the county is financially responsible and who may qualify for these benefits.

Sec. 8. Minnesota Statutes 1989 Supplement, section 245.474, is amended to read:

245.474 [REGIONAL TREATMENT CENTER INPATIENT SERVICES.]

Subdivision 1. [AVAILABILITY OF REGIONAL TREATMENT CENTER INPATIENT SERVICES.] By July 1, 1987, the commissioner shall make sufficient regional treatment center inpatient services available to adults with mental illness throughout the state who need this level of care. Services must be as close to the patient's county of residence as possible. Regional treatment centers are responsible to:

(1) provide acute care inpatient hospitalization;

(2) stabilize the medical and mental health condition of the adult requiring the admission;

~~(2)~~ (3) improve functioning to the point where discharge to community-based mental health services is possible;

~~(3)~~ (4) strengthen family and community support; and

~~(4)~~ (5) facilitate appropriate discharge and referrals for follow-up mental health care in the community.

Subd. 2. [QUALITY OF SERVICE.] The commissioner shall biennially determine the needs of all adults with mental illness who are served by regional treatment centers by administering a client-based evaluation system. The client-based evaluation system must include at least the following independent measurements: behavioral development assessment; habilitation program assessment; medical needs assessment; maladaptive behavioral assessment; and vocational behavior assessment. The commissioner shall propose staff ratios to the legislature for the mental health and support units in regional treatment centers as indicated by the results of the client-based evaluation system and the types of state-operated services needed. The proposed staffing ratios shall include professional, nursing, direct care, medical, clerical, and support staff based on the client-based evaluation system. The commissioner shall recompute staffing ratios and recommendations on a biennial basis.

Subd. 3. [TRANSITION TO COMMUNITY.] Regional treatment centers must plan for and assist clients in making a transition from regional treatment centers to other community-based services. In coordination with the client's case manager, if any, regional treatment centers must also arrange for appropriate follow-up care in the community during the transition period. Before a client is discharged, the regional treatment center must notify the client's case manager, so that the case manager can monitor and coordinate the transition and arrangements for the client's appropriate follow-up care in the community.

Sec. 9. Minnesota Statutes 1989 Supplement, section 245.487, subdivision 5, is amended to read:

Subd. 5. [CONTINUATION OF EXISTING MENTAL HEALTH SERVICES FOR CHILDREN.] Counties shall make available case management, community support services, and day treatment to children eligible to receive these services under Minnesota Statutes 1988, section 245.471. No later than August 1, 1989, the county board shall notify providers in the local system of care of their obligations to refer children eligible for case management and community support services as of January 1, 1989. The county board shall forward a copy of this notice to the commissioner. The notice shall indicate which children are eligible, a description of the

services, and the name of the county employee designated to coordinate case management activities and shall include a copy of the plain language notification described in section 245.4881, subdivision 2, paragraph (b). Providers shall distribute copies of this notification when making a referral for case management.

Sec. 10. Minnesota Statutes 1989 Supplement, section 245.4871, subdivision 3, is amended to read:

Subd. 3. [CASE MANAGEMENT SERVICES.] "Case management services" means activities that are coordinated with the family community support services and are designed to help the child with severe emotional disturbance and the child's family obtain needed mental health services, social services, educational services, health services, vocational services, recreational services, and related services in the areas of volunteer services, advocacy, transportation, and legal services. Case management services include ~~obtaining a comprehensive diagnostic assessment,~~ assisting in obtaining a comprehensive diagnostic assessment, if needed, developing a functional assessment, developing an individual family community support plan, and assisting the child and the child's family in obtaining needed services by coordination with other agencies and assuring continuity of care. Case managers must assess and reassess the delivery, appropriateness, and effectiveness of ~~these~~ services over time.

Sec. 11. Minnesota Statutes 1989 Supplement, section 245.4873, subdivision 2, is amended to read:

Subd. 2. [STATE LEVEL; COORDINATION.] The commissioners or designees of commissioners of the departments of human services, health, education, state planning, and corrections, and a representative of the Minnesota district judges association juvenile committee, in conjunction with the commissioner of commerce or a designee of the commissioner, shall meet at least quarterly ~~through 1992~~ to:

(1) educate each agency about the policies, procedures, funding, and services for children with emotional disturbances of all agencies represented;

(2) develop mechanisms for interagency coordination on behalf of children with emotional disturbances;

(3) identify barriers including policies and procedures within all agencies represented that interfere with delivery of mental health services for children;

(4) recommend policy and procedural changes needed to improve development and delivery of mental health services for children in the agency or agencies they represent;

(5) identify mechanisms for better use of federal and state funding in the delivery of mental health services for children; and

(6) until February 15, 1992, prepare an annual report on the policy and procedural changes needed to implement a coordinated, effective, and cost-efficient children's mental health delivery system.

This report shall be submitted to the legislature and the state mental health advisory council annually ~~until February 15, 1992,~~ as part of the report required under section 245.487, subdivision 4. The report shall include information from each department represented on:

(1) the number of children in each department's system who require mental health services;

(2) the number of children in each system who receive mental health services;

(3) how mental health services for children are funded within each system;

(4) how mental health services for children could be coordinated to provide more effectively appropriate mental health services for children; and

(5) recommendations for the provision of early screening and identification of mental illness in each system.

Sec. 12. Minnesota Statutes 1989 Supplement, section 245.4874, is amended to read:

245.4874 [DUTIES OF COUNTY BOARD.]

The county board in each county shall use its share of mental health and community social service act funds allocated by the commissioner according to a biennial local children's mental health service proposal required under section 245.4887, and approved by the commissioner. The county board must:

(1) develop a system of affordable and locally available children's mental health services according to sections 245.487 to 245.4887;

(2) establish a central point of information and referral about children's mental health services and assure that parents and providers in the county receive information about how to access services provided according to sections 245.487 to 245.4887;

(3) coordinate the delivery of children's mental health services with services provided by social services, education, corrections,

health, and vocational agencies to improve the availability of mental health services to children and the cost effectiveness of their delivery;

~~(3)~~ (4) assure that mental health services delivered according to sections 245.487 to 245.4887 are delivered expeditiously and are appropriate to the child's diagnostic assessment and individual treatment plan;

~~(4)~~ (5) provide the community with information about predictors and symptoms of emotional disturbances and how to access children's mental health services according to sections 245.4877 and 245.4878;

~~(5)~~ (6) provide for case management services to each child with severe emotional disturbance according to sections 245.486; 245.4871, subdivisions 3 and 4; and 245.4881, subdivisions 1, 3, and 5;

~~(6)~~ (7) provide for screening of each child under section 245.4885 upon admission to a residential treatment facility, acute care hospital inpatient treatment, or informal admission to a regional treatment center;

~~(7)~~ (8) prudently administer grants and purchase-of-service contracts that the county board determines are necessary to fulfill its responsibilities under sections 245.487 to 245.4887;

~~(8)~~ (9) assure that mental health professionals, mental health practitioners, and case managers employed by or under contract to the county to provide mental health services are qualified under section 245.4871; and

~~(9)~~ (10) assure that children's mental health services are coordinated with adult mental health services specified in sections 245.461 to 245.486 so that a continuum of mental health services is available to serve persons with mental illness, regardless of the person's age.

Sec. 13. Minnesota Statutes 1989 Supplement, section 245.4875, subdivision 5, is amended to read:

Subd. 5. [LOCAL CHILDREN'S ADVISORY COUNCIL.] (a) By October 1, 1989, the county board, individually or in conjunction with other county boards, shall establish a local children's mental health advisory council or children's mental health subcommittee of the existing local mental health advisory council or shall include persons on its existing mental health advisory council who are representatives of children's mental health interests. The following individuals must serve on the local children's mental health advi-

sory council, the children's mental health subcommittee of an existing local mental health advisory council, or be included on an existing mental health advisory council: (1) at least one person who was in a mental health program as a child or adolescent; (2) at least one parent of a child or adolescent with severe emotional disturbance; (3) one children's mental health professional; (4) representatives of minority populations of significant size residing in the county; (5) a representative of the children's mental health local coordinating council; and (6) one family community support services program representative.

(b) The local children's mental health advisory council or children's mental health subcommittee of an existing advisory council shall seek input from parents, former consumers, providers, and others about the needs of children with emotional disturbance in the local area and services needed by families of these children, and shall meet ~~at least quarterly~~ monthly to review, evaluate, and make recommendations regarding the local children's mental health system. Annually, the local children's mental health advisory council or children's mental health subcommittee of the existing local mental health advisory council shall:

(1) arrange for input from the local system of care providers regarding coordination of care between the services; and

(2) identify for the county board the individuals, providers, agencies, and associations as specified in section 245.4877, clause (2).

(c) The county board shall consider the advice of its local children's mental health advisory council or children's mental health subcommittee of the existing local mental health advisory council in carrying out its authorities and responsibilities.

Sec. 14. Minnesota Statutes 1989 Supplement, section 245.4876, subdivision 2, is amended to read:

Subd. 2. [DIAGNOSTIC ASSESSMENT.] All residential treatment facilities and acute care hospital inpatient treatment ~~services~~ facilities that provide mental health services for children must complete a diagnostic assessment for each of their child clients within five working days of admission. Providers of outpatient and day treatment services for children must complete a diagnostic assessment within ~~ten working days of admission~~ five days after the child's second visit or 30 days after intake, whichever occurs first. In cases where a diagnostic assessment is available and has been completed within ~~90~~ 180 days preceding admission, only updating is necessary. "Updating" means a written summary by a mental health professional of the child's current mental health status and service needs. If the child's mental health status has changed markedly since the child's most recent diagnostic assessment, a new diagnostic assessment is required. Compliance with the provisions

of this subdivision does not ensure eligibility for medical assistance or general assistance medical care reimbursement under chapters 256B and 256D.

Sec. 15. Minnesota Statutes 1989 Supplement, section 245.4876, subdivision 3, is amended to read:

Subd. 3. [INDIVIDUAL TREATMENT PLANS.] All providers of outpatient services, day treatment services, ~~family community support services,~~ professional home-based family treatment, residential treatment ~~facilities~~, and acute care hospital inpatient treatment ~~facilities~~, and all regional treatment centers that provide mental health ~~facilities~~ services for children must develop an individual treatment plan for each child client. The individual treatment plan must be based on a diagnostic assessment. To the extent appropriate, the child and the child's family shall be involved in all phases of developing and implementing the individual treatment plan. Providers of residential treatment, professional home-based family treatment, and acute care hospital inpatient treatment, and regional treatment centers must develop the individual treatment plan ~~must be developed~~ within ten working days of client intake or admission and ~~reviewed~~ must review the individual treatment plan every 90 days after ~~that date~~ intake, except that the administrative review of the treatment plan of a child placed in a residential facility shall be as specified in section 257.071, subdivisions 2 and 4. Providers of outpatient services and day treatment services must develop the individual treatment plan within 30 days after the diagnostic assessment is completed or within 15 days after the first outpatient or day treatment services are provided, whichever occurs first. Providers of outpatient and day treatment services must review the individual treatment plan every 90 days after intake.

Sec. 16. Minnesota Statutes 1989 Supplement, section 245.4876, subdivision 4, is amended to read:

Subd. 4. [REFERRAL FOR CASE MANAGEMENT.] Each provider of emergency services, outpatient treatment, community support services, family community support services, day treatment services, screening under section 245.4885, professional home-based family treatment services, residential treatment facilities, acute care hospital inpatient treatment facilities, or regional treatment center services must inform each child with severe emotional disturbance, and the child's parent or legal representative, of the availability and potential benefits to the child of case management. The information shall be provided as specified in subdivision 5. If consent is obtained according to subdivision 5, the provider must refer the child by notifying the county employee designated by the county board to coordinate case management activities of the child's name and address and by informing the child's family of whom to contact to request case management. The provider must document compliance with this subdivision in the child's record. The parent or

child may directly request case management even if there has been no referral.

Sec. 17. Minnesota Statutes 1989 Supplement, section 245.4879, is amended to read:

245.4879 [EMERGENCY SERVICES.]

Subdivision 1. [AVAILABILITY OF EMERGENCY SERVICES.] County boards must provide or contract for enough mental health emergency services within the county to meet the needs of children, and children's families when clinically appropriate, in the county who are experiencing an emotional crisis or emotional disturbance.

The county board shall ensure that parents, providers, and county residents are informed about when and how to access emergency mental health services for children. A child or the child's parent may be required to pay a fee according to section 245.481. Emergency service providers shall not delay the timely provision of emergency service because of delays in determining this fee or because of the unwillingness or inability of the parent to pay the fee. Emergency services must include assessment, crisis intervention, and appropriate case disposition. Emergency services must:

(1) promote the safety and emotional stability of children with emotional disturbances or emotional crises;

(2) minimize further deterioration of the child with emotional disturbance or emotional crisis;

(3) help each child with an emotional disturbance or emotional crisis to obtain ongoing care and treatment; and

(4) prevent placement in settings that are more intensive, costly, or restrictive than necessary and appropriate to meet the child's needs.

Subd. 2. [SPECIFIC REQUIREMENTS.] The county board shall require that all service providers of emergency services to the child with an emotional disturbance provide immediate direct access to a mental health professional during regular business hours. For evenings, weekends, and holidays, the service may be by direct toll-free telephone access to a mental health professional, a mental health practitioner, or until January 1, 1991, a designated person with training in human services who receives clinical supervision from a mental health professional. The commissioner may waive the requirement that the evening, weekend, and holiday service be provided by a mental health professional or mental health practitioner after January 1, 1991, if the county documents that:

(1) mental health professionals or mental health practitioners are unavailable to provide this service;

(2) services are provided by a designated person with training in human services who receives clinical supervision from a mental health professional; and

(3) the service provider is not also the provider of fire and public safety emergency services.

When emergency service during nonbusiness hours is provided by anyone other than a mental health professional, a mental health professional must be available for at least telephone consultation within 30 minutes.

Sec. 18. Minnesota Statutes 1989 Supplement, section 245.4881, subdivision 1, is amended to read:

Subdivision 1. [AVAILABILITY OF CASE MANAGEMENT SERVICES.] (a) By July 1, 1991, the county board shall provide case management ~~activities~~ services for each child with severe emotional disturbance ~~residing~~ ~~in~~ who is a resident of the county and the child's family who request or consent to the services. Staffing ratios must be sufficient to serve the needs of the clients. The case manager must meet the requirements in section 245.4871, subdivision 4.

(b) Case management services provided to children with severe emotional disturbance eligible for medical assistance must be billed to the medical assistance program under sections 256B.02, subdivision 8, and 256B.0625.

Sec. 19. Minnesota Statutes 1989 Supplement, section 245.4881, subdivision 2, is amended to read:

Subd. 2. [NOTIFICATION AND DETERMINATION OF CASE MANAGEMENT ELIGIBILITY.] (a) The county board shall notify, as appropriate, the child, child's parent, or child's legal representative of the child's potential eligibility for case management services within five working days after receiving a request from an individual or a referral from a provider under section 245.4876, subdivision 4.

(b) The county board shall send a notification written in plain language of potential eligibility for case management and family community support services. The notification shall identify the designated case management providers and shall contain:

(1) a brief description of case management and family community support services;

(2) the potential benefits of these services;

(3) the identity and current phone number of the county employee designated to coordinate case management activities;

(4) an explanation of how to obtain county assistance in obtaining a diagnostic assessment, if needed; and

(5) an explanation of the appeal process.

~~The county board shall send a written notice that identifies the designated case management providers.~~ The county board shall send the notice, as appropriate, to the child, the child's parent, or the child's legal representative, if any.

(c) The county board must promptly determine whether a child who requests or is referred for case management services meets the criteria of section 245.4871, subdivision 6 or section 245.471. If a diagnostic assessment is needed to make the determination, the county board must offer to assist the child and the child's family in obtaining one. The county board shall notify, in writing, the child and the child's representative, if any, of the eligibility determination. If the child is determined to be eligible for case management services, and if the child and the child's family consent to the services, the county board shall refer the child to the case management provider for case management services. If the child is determined not to be eligible or refuses case management services, the county board shall notify the child of the appeal process and shall offer to refer the child to a mental health provider or other appropriate service provider and to assist the child in making an appointment with the provider of the child's choice.

Sec. 20. Minnesota Statutes 1989 Supplement, section 245.4881, subdivision 3, is amended to read:

Subd. 3. [DUTIES OF CASE MANAGER.] (a) ~~The case manager shall promptly arrange for a diagnostic assessment of the child when one is not available as described in section 245.4876, subdivision 2, to determine the child's eligibility as a child with severe emotional disturbance for family community support services. The county board shall notify in writing, as appropriate, the child, the child's parent, or the child's legal representative, if any, if the child is determined ineligible for family community support services.~~

~~(b)~~ Upon a determination of eligibility for ~~family~~ support case management services, the case manager shall complete a written functional assessment according to section 245.4871, subdivision 18. The case manager shall develop an individual family community support plan for a child as specified in subdivision 4, review the child's progress, and monitor the provision of services. If services are

to be provided in a host county that is not the county of financial responsibility, the case manager shall consult with the host county and obtain a letter demonstrating the concurrence of the host county regarding the provision of services.

(b) The case manager shall ~~perform a functional assessment and~~ note in the ~~client's~~ child's record the services needed by the child and the child's family, the services requested by the family, services that are not available, and the unmet needs of the child and ~~family's unmet needs~~ child's family. The information required under section 245.4886 shall be provided in writing to the child and the child's family. The case manager shall note this provision in the ~~client~~ child's record.

Sec. 21. Minnesota Statutes 1989 Supplement, section 245.4881, subdivision 4, is amended to read:

Subd. 4. [INDIVIDUAL FAMILY COMMUNITY SUPPORT PLAN.] (a) For each child, the case manager must develop an individual family community support plan that incorporates the child's individual treatment plan. The individual treatment plan may not be a substitute for the development of an individual family community support plan. The case manager is responsible for developing the individual family community support plan within 30 days of intake based on a diagnostic assessment and a functional assessment and for implementing and monitoring the delivery of services according to the individual family community support plan. The case manager must review the plan every 90 calendar days after it is developed. To the extent appropriate, the child with severe emotional disturbance, the child's family, advocates, service providers, and significant others must be involved in all phases of development and implementation of the individual family community support plan. Notwithstanding the lack of ~~a~~ an individual family community support plan, the case manager shall assist the child and child's family in accessing the needed services listed in subdivision 6.

(b) The child's individual family community support plan must state:

(1) the goals and expected outcomes of each service and criteria for evaluating the effectiveness and appropriateness of the service;

(2) the activities for accomplishing each goal;

(3) a schedule for each activity; and

(4) the frequency of face-to-face contacts by the case manager, as appropriate to client need and the implementation of the individual family community support plan.

Sec. 22. Minnesota Statutes 1989 Supplement, section 245.4882, subdivision 1, is amended to read:

Subdivision 1. [AVAILABILITY OF RESIDENTIAL TREATMENT SERVICES.] County boards must provide or contract for enough residential treatment services to meet the needs of each child with severe emotional disturbance residing in the county and needing this level of care. Length of stay is based on the child's residential treatment need and shall be subject to the six-month review process established in section 257.071, subdivisions 2 and 4. Services must be appropriate to the child's age and treatment needs and must be made available as close to the county as possible. Residential treatment must be designed to:

(1) prevent placement in settings that are more intensive, costly, or restrictive than necessary and appropriate to meet the child's needs;

(2) help the child improve family living and social interaction skills;

(3) help the child gain the necessary skills to return to the community;

(4) stabilize crisis admissions; and

(5) work with families throughout the placement to improve the ability of the families to care for children with severe emotional disturbance in the home.

Sec. 23. Minnesota Statutes 1989 Supplement, section 245.4883, subdivision 1, is amended to read:

Subdivision 1. [AVAILABILITY OF ACUTE CARE HOSPITAL INPATIENT SERVICES.] County boards must make available through contract or direct provision enough acute care hospital inpatient treatment services as close to the county as possible for children with severe emotional disturbances residing in the county needing this level of care. Acute care hospital inpatient treatment services must be designed to:

(1) stabilize the medical and mental health condition for which admission is required;

(2) improve functioning to the point where discharge to residential treatment or community-based mental health services is possible;

(3) facilitate appropriate referrals for follow-up mental health care in the community;

(4) work with families to improve the ability of the families to care for those children with severe emotional disturbances at home; and

(5) assist families and children in the transition from inpatient services to community-based services or home setting, and provide notification to the child's case manager, if any, so that the case manager can monitor the transition and make timely arrangements for the child's appropriate follow-up care in the community.

Sec. 24. [245.4884] [FAMILY COMMUNITY SUPPORT SERVICES.]

Subdivision 1. [AVAILABILITY OF FAMILY COMMUNITY SUPPORT SERVICES.] By July 1, 1991, county boards must provide or contract for sufficient family community support services within the county to meet the needs of each child with severe emotional disturbance who resides in the county and the child's family. Children or their parents may be required to pay a fee in accordance with section 245.481.

Family community support services must be designed to improve the ability of children with severe emotional disturbance to:

(1) handle basic activities of daily living;

(2) improve functioning in school settings;

(3) participate in leisure time or community youth activities;

(4) set goals and plans;

(5) reside with the family in the community;

(6) participate in after-school and summer activities;

(7) make a smooth transition among mental health services provided to children; and

(8) make a smooth transition into the adult mental health system as appropriate.

In addition, family community support services must be designed to improve overall family functioning if clinically appropriate to the child's needs, and to reduce the need for and use of placements more intensive, costly, or restrictive both in the number of admissions and lengths of stay than indicated by the child's diagnostic assessment.

Subd. 2. [DAY TREATMENT SERVICES PROVIDED.] (a) Day treatment services must be part of the family community support services available to each child with severe emotional disturbance

residing in the county. A child or the child's parent may be required to pay a fee according to section 245.481. Day treatment services must be designed to:

(1) provide a structured environment for treatment;

(2) provide support for residing in the community;

(3) prevent placements that are more intensive, costly, or restrictive than necessary to meet the child's need;

(4) coordinate with or be offered in conjunction with the child's education program;

(5) provide therapy and family intervention for children that are coordinated with education services provided and funded by schools; and

(6) operate during all 12 months of the year.

(b) County boards may request a waiver from including day treatment services if they can document that:

(1) alternative services exist through the county's family community support services for each child who would otherwise need day treatment services; and

(2) county demographics and geography make the provision of day treatment services cost ineffective and unfeasible.

Subd. 3. [PROFESSIONAL HOME-BASED FAMILY TREATMENT PROVIDED.] (a) By January 1, 1991, county boards must provide or contract for sufficient professional home-based family treatment within the county to meet the needs of each child with severe emotional disturbance who is at risk of out-of-home placement due to the child's emotional disturbance or who is returning to the home from out-of-home placement. The child or the child's parent may be required to pay a fee according to section 245.481. The county board shall require that all service providers of professional home-based family treatment set fee schedules approved by the county board that are based on the child's or family's ability to pay. The professional home-based family treatment must be designed to assist each child with severe emotional disturbance who is at risk of or who is returning from out-of-home placement and the child's family to:

(1) improve overall family functioning in all areas of life;

(2) treat the child's symptoms of emotional disturbance that contribute to a risk of out-of-home placement;

(3) provide a positive change in the emotional, behavioral, and mental well-being of children and their families; and

(4) reduce risk of out-of-home placement for the identified child with severe emotional disturbance and other siblings or successfully reunify and reintegrate into the family a child returning from out-of-home placement due to emotional disturbance.

(b) Professional home-based family treatment must be provided by a team consisting of a mental health professional and others who are skilled in the delivery of mental health services to children and families in conjunction with other human service providers. The professional home-based family treatment team must maintain flexible hours of service availability and must provide or arrange for crisis services for each family, 24 hours a day, seven days a week. Case loads for each professional home-based family treatment team must be small enough to permit the delivery of intensive services and to meet the needs of the family. Professional home-based family treatment providers shall coordinate services and service needs with case managers assigned to children and their families. The treatment team must develop an individual treatment plan that identifies the specific treatment objectives for both the child and the family.

Subd. 4. [THERAPEUTIC SUPPORT OF FOSTER CARE.] By January 1, 1992, county boards must provide or contract for foster care with therapeutic support as defined in section 245.4871, subdivision 34. Foster families caring for children with severe emotional disturbance must receive training and supportive services, as necessary, at no cost to the foster families within the limits of available resources.

Subd. 5. [BENEFITS ASSISTANCE.] The county board must offer help to a child with severe emotional disturbance and the child's family in applying for federal benefits, including supplemental security income, medical assistance, and Medicare.

Sec. 25. Minnesota Statutes 1989 Supplement, section 245.4885, subdivision 1, is amended to read:

Subdivision 1. [SCREENING REQUIRED.] The county board shall ~~ensure that,~~ upon admission, screen all children ~~are screened upon admission~~ admitted for treatment of severe emotional disturbance to a residential treatment facility, an acute care hospital, or informally admitted to a regional treatment center if public funds are used to pay for the services. If a child is admitted to a residential treatment facility or acute care hospital for emergency treatment of emotional disturbance or held for emergency care by a regional treatment center under section 253B.05, subdivision 1, screening must occur within five working days of admission. Screening shall determine whether the proposed treatment:

(1) is necessary;

(2) is appropriate to the child's individual treatment needs;

(3) cannot be effectively provided in the child's home;

(4) ~~the~~ provides a length of stay ~~is~~ as short as possible consistent with the individual child's need; and

(5) ~~the case manager, if assigned, is developing an~~ shall assure that the child, child's family, or child's legal representative, as appropriate, have been informed of the child's eligibility for case management services and that an individual family community support plan is being developed by the case manager, if assigned.

Screening shall be in compliance with section 256F.07 or 257.071, whichever applies. Wherever possible, the parent shall be consulted in the screening process, unless clinically inappropriate.

The screening process and placement decision must be documented in the child's record.

An alternate review process may be approved by the commissioner if the county board demonstrates that an alternate review process has been established by the county board and the times of review, persons responsible for the review, and review criteria are comparable to the standards in clauses (1) to ~~(3)~~ (5).

Sec. 26. Minnesota Statutes 1989 Supplement, section 245.4885, subdivision 2, is amended to read:

Subd. 2. [QUALIFICATIONS.] No later than January 1, ~~1992~~ 1991, screening of children for residential and inpatient services must be conducted by a mental health professional. Mental health professionals providing screening for inpatient and residential services must not be financially affiliated with any acute care inpatient hospital, residential treatment facility, or regional treatment center. The commissioner may waive this requirement for mental health professional participation ~~in sparsely populated areas~~ after January 1, 1991, if the county documents that:

(1) mental health professionals or mental health practitioners are unavailable to provide this service; and

(2) services are provided by a designated person with training in human services who receives clinical supervision from a mental health professional.

Sec. 27. Minnesota Statutes 1989 Supplement, section 245.696, subdivision 2, is amended to read:

Subd. 2. [SPECIFIC DUTIES.] In addition to the powers and duties already conferred by law, the commissioner of human services shall:

(1) review and evaluate local programs and the performance of administrative and mental health personnel and make recommendations to county boards and program administrators;

(2) provide consultative staff service to communities and advocacy groups to assist in ascertaining local needs and in planning and establishing community mental health programs;

(3) employ qualified personnel to implement this chapter;

(4) adopt rules for minimum standards in community mental health services as directed by the legislature;

(5) cooperate with the commissioners of health and jobs and training to coordinate services and programs for people with mental illness;

~~(6) convene meetings with the commissioners of corrections, health, education, and commerce at least four times each year for the purpose of coordinating services and programs for children with emotional or behavioral disorders;~~

~~(7)~~ evaluate the needs of people with mental illness as they relate to assistance payments, medical benefits, nursing home care, and other state and federally funded services;

~~(8)~~ (7) provide data and other information, as requested, to the advisory council on mental health;

~~(9)~~ (8) develop and maintain a data collection system to provide information on the prevalence of mental illness, the need for specific mental health services and other services needed by people with mental illness, funding sources for those services, and the extent to which state and local areas are meeting the need for services;

~~(10)~~ (9) apply for grants and develop pilot programs to test and demonstrate new methods of assessing mental health needs and delivering mental health services;

~~(11)~~ (10) study alternative reimbursement systems and make waiver requests that are deemed necessary by the commissioner;

~~(12)~~ (11) provide technical assistance to county boards to improve fiscal management and accountability and quality of mental health services, and consult regularly with county boards, public and

private mental health agencies, and client advocacy organizations for purposes of implementing this chapter;

~~(13)~~ (12) promote coordination between the mental health system and other human service systems in the planning, funding, and delivery of services; entering into cooperative agreements with other state and local agencies for that purpose as deemed necessary by the commissioner;

~~(14)~~ (13) conduct research regarding the relative effectiveness of mental health treatment methods as the commissioner deems appropriate, and for this purpose, enter treatment facilities, observe clients, and review records in a manner consistent with the Minnesota government data practices act, chapter 13; and

~~(15)~~ (14) enter into contracts and promulgate rules the commissioner deems necessary to carry out the purposes of this chapter.

Sec. 28. Minnesota Statutes 1989 Supplement, section 245.697, subdivision 2a, is amended to read:

Subd. 2a. [SUBCOMMITTEE ON CHILDREN'S MENTAL HEALTH.] The state advisory council on mental health (the "advisory council") must have a subcommittee on children's mental health. The subcommittee must make recommendations to the advisory council on policies, laws, regulations, and services relating to children's mental health. Members of the subcommittee must include:

(1) the commissioners or designees of the commissioners of the departments of human services, health, education, state planning, finance, and corrections;

(2) the commissioner of commerce or a designee of the commissioner who is knowledgeable about medical insurance issues;

(3) at least one representative of an advocacy group for children with emotional disturbances;

(4) providers of children's mental health services, including at least one provider of services to preadolescent children, one provider of services to adolescents, and one hospital-based provider;

(5) parents of children who have emotional disturbances;

(6) a present or former consumer of adolescent mental health services;

(7) educators currently working with emotionally disturbed children;

(8) people knowledgeable about the needs of emotionally disturbed children of minority races and cultures;

(9) people experienced in working with emotionally disturbed children who have committed status offenses;

(10) members of the advisory council;

(11) one person from the local corrections department and one representative of the Minnesota district judges association juvenile committee; and

(12) county commissioners and social services agency representatives.

The chair of the advisory council shall appoint subcommittee members described in clauses (3) to (11) through the process established in section 15.0597. The chair shall appoint members to ensure a geographical balance on the subcommittee. Terms, compensation, removal, and filling of vacancies are governed by subdivision 1, except that terms of subcommittee members who are also members of the advisory council are coterminous with their terms on the advisory council. The subcommittee shall meet at the call of the subcommittee chair who is elected by the subcommittee from among its members. The subcommittee expires with the expiration of the advisory council.

Sec. 29. Minnesota Statutes 1989 Supplement, section 253B.03, subdivision 6a, is amended to read:

Subd. 6a. [ADMINISTRATION OF NEUROLEPTIC MEDICATIONS.] (a) Neuroleptic medications may be administered to persons committed as mentally ill or mentally ill and dangerous only as described in this subdivision.

(b) A neuroleptic medication may be administered to a patient who is competent to consent to neuroleptic medications ~~only~~ if the patient has given written, informed consent to administration of the neuroleptic medication.

(c) A neuroleptic medication may be administered to a patient who is not competent to consent to neuroleptic medications ~~only~~ if a court approves the administration of the neuroleptic medication ~~or~~:.

(d) A neuroleptic medication may be administered without court review to a patient who is not competent to consent to neuroleptic medications if:

(1) the patient does not object to or refuse the medication;

(2) a guardian ad litem appointed by the court with authority to consent to neuroleptic medications gives written, informed consent to the administration of the neuroleptic medication; and

(3) a multidisciplinary treatment review panel composed of persons who are not engaged in providing direct care to the patient gives written approval to administration of the neuroleptic medication.

(e) A neuroleptic medication may be administered without judicial review and without consent in an emergency situation for so long as the emergency continues to exist if the treating physician determines that the medication is necessary to prevent serious, immediate physical harm to the patient or to others and it is impracticable to first obtain consent from the patient. The treatment facility shall document the emergency in the patient's medical record in specific behavioral terms.

~~(d)~~ (f) A person who consents to treatment pursuant to this subdivision is not civilly or criminally liable for the performance of or the manner of performing the treatment. A person is not liable for performing treatment without consent if written, informed consent was given pursuant to this subdivision. This provision does not affect any other liability that may result from the manner in which the treatment is performed.

~~(e)~~ (g) The court may allow and order paid to a guardian ad litem a reasonable fee for services provided under paragraph (c), or the court may appoint a volunteer guardian ad litem.

(h) A medical director or patient may petition the committing court, or the court to which venue has been transferred, for a hearing concerning the administration of neuroleptic medication. A hearing may also be held pursuant to section 253B.08, 253B.09, 253B.12, or 253B.18. The hearing concerning the administration of neuroleptic medication must be held within 14 days from the date of the filing of the petition. The court may extend the time for hearing up to an additional 15 days for good cause shown.

Sec. 30. Minnesota Statutes 1988, section 253B.17, subdivision 1, is amended to read:

Subdivision 1. [PETITION.] Any patient, except one committed as mentally ill and dangerous to the public, or any interested person may petition the committing court or the court to which venue has been transferred for an order that the patient is not in need of continued institutionalization or for an order that an individual is no longer mentally ill, mentally retarded, or chemically dependent, or for any other relief as the court deems just and equitable. A patient committed as mentally ill or mentally ill and dangerous may petition the committing court or the court to which venue has been

transferred for a hearing concerning the administration of neuroleptic medication. A hearing may also be held pursuant to sections 253B.08, 253B.09 ~~and~~, 253B.12, and 253B.18.

Sec. 31. Minnesota Statutes 1988, section 260.151, subdivision 1, is amended to read:

Subdivision 1. Upon request of the court the county welfare board or probation officer shall investigate the personal and family history and environment of any minor coming within the jurisdiction of the court under section 260.111 and shall report its findings to the court. The court may order any minor coming within its jurisdiction to be examined by a duly qualified physician, psychiatrist, or psychologist appointed by the court and may order a child in need of special treatment for mental illness, chemical dependency, or a developmental disability to be placed in a residential treatment facility in accordance with subdivision 3. With the consent of the commissioner of corrections and agreement of the county to pay the costs thereof, the court may, by order, place a minor coming within its jurisdiction in an institution maintained by the commissioner for the detention, diagnosis, custody and treatment of persons adjudicated to be delinquent, in order that the condition of the minor be given due consideration in the disposition of the case. Adoption investigations shall be conducted in accordance with the laws relating to adoptions. Any funds received under the provisions of this subdivision shall not cancel until the end of the fiscal year immediately following the fiscal year in which the funds were received. The funds are available for use by the commissioner of corrections during that period and are hereby appropriated annually to the commissioner of corrections as reimbursement of the costs of providing these services to the juvenile courts.

Sec. 32. Minnesota Statutes 1988, section 260.151, is amended by adding a subdivision to read:

Subd. 3. [JUVENILE TREATMENT SCREENING TEAM.] The county welfare board shall establish a juvenile treatment screening team to conduct screenings and prepare the evaluations, reports, and case plans required by this subdivision. The team shall consist of social workers, juvenile justice professionals, and persons with expertise in the treatment of juveniles who are mentally ill, chemically dependent, or have a developmental disability. The team shall have the following duties:

(a) If the court, prior to final disposition, proposes to place a child in a residential treatment facility out of state or in one which is within the state and licensed by the commissioner of human services under chapter 245A, the screening team must evaluate the child to determine whether residential treatment is necessary. No child may be sent to a residential treatment facility out of state nor held for more than 72 hours in residential treatment within the state, under

this paragraph, unless a treatment professional certifies that an emergency requires the placement or unless the screening team has evaluated the child and recommended that the residential placement is the least restrictive alternative available in light of the child's treatment needs and the safety of the community. Where placement is made pursuant to an emergency certification, a screening team evaluation must be made as soon as possible. Unless the screening team recommends continued placement, the child must be released within five days of placement. All screening team recommendations must be supported by a report to be filed with the juvenile court within seven days of the recommendation. The report shall include a professional diagnosis of the child's condition and an outline of the proposed treatment plan.

(b) If it appears to the court that the child is likely to need special treatment and care for reasons of physical or mental health as part of a final disposition under this chapter, the court shall direct the county juvenile treatment screening team to complete a screening and assessment of the child and to develop a case plan for services, including residential services, if necessary. The case plan must be completed within 30 days of the court's order for the assessment and shall be developed in coordination with court services personnel to ensure that the best interests of the child and the safety needs of the community are met. The assessment and case plan shall be filed with the court and shall include a professional diagnosis of the child's condition and a proposed plan for treatment. If the plan recommends placement in a residential facility, the name of the facility must be specified along with the proposed length of stay and the plan for aftercare and follow-up treatment. A final disposition which involves commitment to a treatment facility out of state or to one which is within the state and licensed under chapter 245A shall not be entered in any proceeding under this chapter, unless the county board has developed and approved a case plan for treatment under this paragraph.

Sec. 33. Minnesota Statutes 1988, section 260.172, is amended by adding a subdivision to read:

Subd. 2c. [RESIDENTIAL TREATMENT FACILITY PLACEMENT.] The court may not place a child in a residential treatment facility under a detention order except as authorized under section 260.151, subdivision 3, paragraph (a).

Sec. 34. Minnesota Statutes 1989 Supplement, section 260.181, subdivision 2, is amended to read:

Subd. 2. [CONSIDERATION OF REPORTS.] Before making a disposition in a case, or terminating parental rights, or appointing a guardian for a child the court may consider any report or recommendation made by the county welfare board, probation officer, licensed child placing agency, foster parent, guardian ad litem, tribal repre-

sentative, or other authorized advocate for the child or child's family, or any other information deemed material by the court. In issuing a disposition order requiring that a child be placed in a residential treatment facility, the court must follow the juvenile screening team recommendation and case plan required by section 260.151, subdivision 3, paragraph (b).

Sec. 35. [COMPREHENSIVE STUDY.]

The commissioner of human services shall conduct a comprehensive study of state delivered hospital and community-based services for the six regional treatment centers and their catchment areas. The study must examine the need for hospital and community-based services within each catchment area. The state mental health advisory council shall serve as an advisory group for the study. The commissioner shall present study findings and a plan for the provision of hospital and community-based services in each catchment area to the legislature by January 1, 1991.

Sec. 36. [INSTRUCTION TO REVISOR.]

In each section of Minnesota Statutes referred to in column A, the revisor of statutes shall delete the reference in column B and insert the reference in column C.

Column A	Column B	Column C
245.462, subd. 8, clause (3)	245.4711, subd. 7	245.4712, subd. 2
245.4871, subd. 10, clauses (3) and (4)	245.4881, subd. 7	245.4884, subd. 2
245.4871, subd. 17, clause (11)	245.4881, subd. 10	245.4884, subd. 5
245.4875, subd. 2, clause (6)	245.4881, subd. 7	245.4884, subd. 2
245.4875, subd. 2, clauses (11) and (12)	245.4881, subd. 9	245.4884, subd. 4
245.4881, subd. 4, paragraph (a)	subd. 6	245.4884, subd. 1

Sec. 37. [REPEALER.]

Minnesota Statutes 1989 Supplement, sections 245.4711, subdivisions 6, 7, and 8; and 245.4881, subdivisions 6, 7, 8, 9, and 10, are repealed.

Sec. 38. [EFFECTIVE DATE.]

Sections 29 and 30 are effective May 1, 1990."

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for human services and health and other purposes with certain conditions; amending Minnesota Statutes 1988, sections 4.071; 13.46, subdivision 5; 144.581, subdivision 1; 144A.073, by adding a subdivision; 148B.23, by adding a subdivision; 148B.48, subdivision 1; 151.06, subdivision 1; 151.25; 171.07, subdivision 1a; 214.07, subdivision 1, and by adding a subdivision; 245.467, subdivision 2; 245A.14, subdivision 1; 252.27, as amended; 253B.17, subdivision 1; 254A.03, by adding a subdivision; 254B.06, by adding a subdivision; 254B.08; 256.73, subdivision 2; 256.736, subdivisions 1a and 3a; 256.7365, subdivision 2; 256B.04, subdivisions 15 and 16; 256B.055, subdivisions 3, 5, 6, and 12; 256B.056, subdivisions 2, 7, and by adding a subdivision; 256B.0625, subdivisions 4, 5, 9, and by adding subdivisions; 256B.091, subdivisions 4 and 6; 256B.15; 256B.19, by adding a subdivision; 256B.431, subdivision 3e, and by adding subdivisions; 256B.48, subdivision 2; 256B.49, by adding a subdivision; 256B.50, subdivisions 1 and 1b; 256B.501, subdivisions 3c, 3e, and by adding a subdivision; 256B.69, subdivision 3; 256D.01, by adding a subdivision; 256D.02, subdivisions 5, 8, and 12; 256D.03, subdivisions 3 and 7; 256D.052, subdivision 5; 256D.06, subdivision 2; 256E.06, subdivisions 2 and 7; 256H.01, by adding subdivisions; 256H.10, subdivisions 1 and 4; 256H.17; 260.151, subdivision 1, and by adding a subdivision; 260.172, by adding a subdivision; 268.673, subdivisions 3 and 5; 268.6751, subdivision 1; 268.676, subdivision 2; 268.677, subdivisions 2 and 3; 268.678; 268.681, subdivisions 1, 2, and 3; 268.86, subdivision 8; 268.871, subdivisions 1, 2, and by adding a subdivision; 268.90, subdivisions 1, 3, and 4; 462.357, subdivision 7; 518.171, subdivisions 1, 3, 4, and 7; 518.54, by adding subdivisions; 518.551, subdivisions 1 and 5; 518.611, subdivisions 1, 2, 8, 8a, and by adding a subdivision; 518C.02, by adding subdivisions; 518C.03; 518C.05; 518C.09; 518C.12; and 518C.27, subdivision 1; Minnesota Statutes 1989 Supplement, sections 116.76, subdivision 9; 116.78, by adding subdivisions; 144.50, subdivision 6; 144.562, subdivision 2; 144.802, subdivision 3; 144.804, subdivisions 1 and 7; 144.809; 144.8091; 145.894; 245.467, subdivision 3; 245.469; 245.4711, subdivisions 1, 2, and 3; 245.474; 245.487, subdivision 5; 245.4871, subdivision 3; 245.4873, subdivision 2; 245.4874; 245.4875, subdivision 5; 245.4876, subdivisions 2, 3, and 4; 245.4879; 245.4881, subdivisions 1, 2, 3, and 4; 245.4882, subdivision 1; 245.4883, subdivision 1; 245.4885, subdivisions 1 and 2; 245.696, subdivision 2; 245.697, subdivision 2a; 252.025, subdivision 4; 252.46, subdivisions 1, 2, 3, and 12; 253B.03, subdivision 6a; 254B.03, subdivision 4; 256.73, subdivision 3a; 256.736, subdivisions 3, 3b, 4, 10, 10a, 11, 14, 16, and 18; 256.737, subdivisions 1 and 2; 256.74, subdivision 1; 256.936, subdivisions 1 and 4; 256.969, subdivisions 2c and 6a; 256.9695, subdivisions 1 and 3; 256B.055, subdivision 7; 256B.056, subdivisions 3 and 4; 256B.057, subdivisions 1, 2, and by adding subdivisions; 256B.0575; 256B.059, subdivisions 4 and 5; 256B.0595, subdivisions 1, 2, and 4; 256B.0625, subdivision 13; 256B.092, subdivision 7; 256B.14; 256B.431, subdivisions 3g and 7; 256B.495, subdivision 1; 256B.69, subdivision 16;

256D.01, subdivision 1a; 256D.03, subdivision 4; 256D.051, subdivisions 1a, 1b, 2, 3, and 8; 256H.01, subdivisions 7, 8, and 12; 256H.03, subdivisions 2, 2a, and 2b; 256H.05, subdivisions 1b, 1c, 2, and 5; 256H.08; 256H.09, subdivision 1; 256H.10, subdivision 3; 256H.11, subdivision 1; 256H.15, subdivisions 1 and 2; 256H.21, subdivision 9; 256H.22, subdivisions 2, 3, and 10; 260.181, subdivision 2; 268.0111, subdivision 4; 268.86, subdivision 2; 268.88; 268.881; 518.551, subdivision 10; 518.611, subdivision 4; and 518.613, subdivision 2; Minnesota Statutes Second 1989 Supplement, sections 256B.091, subdivision 8; and 256D.03, subdivision 2; Laws 1988, chapter 689, article 2, section 256, subdivision 3; Laws 1989, chapter 338, section 11; proposing coding for new law in Minnesota Statutes, chapters 62A; 144; 151; 245; 252; 254A; 256; 256B; and 268; repealing Minnesota Statutes 1988, sections 148B.01, subdivision 2; 148B.02; 214.411; 256.736, subdivisions 1b, 2a, 8, and 17; 256.7365, subdivision 8; 256B.431, subdivisions 3, 3b, 3c, and 3d; 256B.50, subdivision 2; 256D.06, subdivision 1c; 256H.01, subdivision 14; 256H.16; 268.672, subdivision 12; 268.86, subdivisions 9 and 10; and 268.872, subdivision 3; Minnesota Statutes 1989 Supplement, sections 245.4711, subdivisions 6, 7, and 8; 245.4881, subdivisions 6, 7, 8, 9, and 10; 256B.055, subdivision 8; 256B.43, subdivisions 3a and 3f; 256H.05, subdivisions 1, 1a, and 3a; and Laws 1989, chapter 338, section 11, subdivisions 1 and 3."

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 2419 and 2646 were read for the second time.

MOTIONS AND RESOLUTIONS

Steensma moved that his name be stricken and that the name of Wenzel be shown as chief author on H. F. No. 2809. The motion prevailed.

Steensma moved that his name be stricken and that the name of Wenzel be shown as chief author on H. F. No. 2810. The motion prevailed.

Steensma moved that his name be stricken and that the name of Wenzel be shown as chief author on H. F. No. 2811. The motion prevailed.

Wenzel moved that H. F. No. 1834 be returned to its author. The motion prevailed.

Vellenga moved that H. F. No. 1951 be returned to its author. The motion prevailed.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 12:00 noon, Friday, March 30, 1990. The motion prevailed.

Long moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:00 noon, Friday, March 30, 1990.

EDWARD A. BURDICK, Chief Clerk, House of Representatives