STATE OF MINNESOTA

SEVENTY-SIXTH SESSION—1990

EIGHTY-FIRST DAY

SAINT PAUL, MINNESOTA, FRIDAY, MARCH 30, 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 Father John Sankovitz, College of St. Thomas, St. Paul, Minnesota.

The roll was called and the following members were present:

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	Kahn	O'Connor	Rukavina	Wenzel
Dempsey	Kalis	Ogren	Runbeck	Williams
Dille	Kelly	Olsen, S.	Sarna	Winter
Dorn	Kelso	Olson, E.	Schafer	Spk. Vanasek
Forsythe	Kinkel	Olson, K.	Scheid	
Frederick	Knickerbocker	Omann	Schreiber	
Frerichs	Krueger	Onnen	Seaberg	

A quorum was present.

Kostohryz was excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Winter 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. 2786, 2770, 1839, 2419, 2365, 2666 and 2646 and S. F. Nos. 488, 2618 and 2617 have been placed in the members' files.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Kalis; Lasley; Anderson, G.; Seaberg and Morrison introduced:

H. F. No. 2816, A bill for an act relating to motor carriers; providing rules exemptions for certain private and agricultural carriers; amending Minnesota Statutes 1988, section 221.031, subdivision 3; Minnesota Statutes 1989 Supplement, section 221.031, subdivisions 2 and 2a.

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

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. 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.

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. 1913, A bill for an act relating to commerce; regulating dividends on claims in liquidation proceedings; regulating the lending practices of regulated lenders; specifying the loan fees and charges that may be imposed by regulated lenders; amending Minnesota Statutes 1988, sections 49.24, subdivision 9; 56.131, subdivisions 1, and 2; 56.14; and 325G.22, by adding a subdivision.

The Senate has appointed as such committee:

Messrs. Solon, Spear, Metzen, Larson and Dahl.

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. 1927, A bill for an act relating to traffic regulations; regulating approaches of vehicles to certain intersections; amending Minnesota Statutes 1988, section 169.20, subdivision 1.

The Senate has appointed as such committee:

Messrs. Chmielewski, Renneke and Spear.

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. 1928, A bill for an act relating to occupations and professions; providing for training for armed employees of private detectives and protective agents; prohibiting certain acts by protective agents and security guards during a labor dispute; amending

Minnesota Statutes 1988, sections 326.32, by adding a subdivision; and 326.3384, by adding a subdivision; and amending Minnesota Statutes 1989 Supplement, section 326.3384, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 326.

The Senate has appointed as such committee:

Messrs. Dicklich, Marty and McGowan.

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. 1952, A bill for an act relating to crimes; permitting individuals to request that the commissioner of public safety hold certain information on the individual as private; increasing penalties for certain acts of harassment; expanding the crime of terroristic threats to include threats made through an intermediary; authorizing courts to issue orders to restrain acts of harassment; amending Minnesota Statutes 1988, sections 171.12, by adding a subdivision; and 609.713, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 168 and 609.

The Senate has appointed as such committee:

Messrs. Marty, Spear and Belanger.

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. 1960, A bill for an act relating to natural resources; amending certain provisions concerned with the management of wildlife; amending Minnesota Statutes 1988, sections 97A.135, by adding a subdivision; and 97A.445, by adding a subdivision; and Minnesota Statutes 1989 Supplement, section 97B.603.

The Senate has appointed as such committee:

Messrs. Berg, Lessard and Frederickson, D. R.

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. 1981, A bill for an act relating to motor vehicles; providing for temporary permit while awaiting delivery of special vehicle license plates; requiring registered owner of motor vehicle to list address or mailing address of primary residence on application for registration; permitting motor vehicle owners to classify residence addresses as private data and to use mailing addresses on motor vehicle registration forms; clarifying when inspection fee must be paid to receive certificate of inspection for salvage vehicle; clarifying disclosure requirements for motor vehicle pollution control system; amending Minnesota Statutes 1988, sections 168.09, by adding a subdivision; 168.10, subdivision 1; and 325E.0951, subdivision 3a; Minnesota Statutes 1989 Supplement, section 168A.152, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 168.

The Senate has appointed as such committee:

Messrs. Stumpf, Belanger and Langseth.

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. 2056, A bill for an act relating to public safety; making it a crime for a driver to flee a peace officer from another state into Minnesota; authorizing a peace officer of another state to enter Minnesota in fresh pursuit for traffic and misdemeanor offenses; authorizing the admissibility of relevant evidence obtained in another state into evidence at Minnesota civil and criminal trials; granting peace officers of other states the authority to transport

persons in legal custody under certain circumstances; amending Minnesota Statutes 1988, section 609.487, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 626 and 634.

The Senate has appointed as such committee:

Messrs. Langseth, Stumpf and Frederickson, D. J.

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. 2135, A bill for an act relating to Anoka county; authorizing the sale or exchange of certain land.

The Senate has appointed as such committee:

Messrs. Novak, Frank and Merriam.

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. 2500, A bill for an act relating to insurance; modifying the effective date of the statutory notice requirement for cancellation or nonrenewal of individual life policies; amending Laws 1989, chapter 330, section 38.

The Senate has appointed as such committee:

Messrs. Solon, Anderson and Freeman.

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. 1730, A bill for an act relating to commerce; requiring seating furniture in public occupancies to meet flammability and labeling standards; proposing coding for new law in Minnesota Statutes, chapter 299F.

PATRICK E. FLAHAVEN, Secretary of the Senate

O'Connor moved that the House refuse to concur in the Senate amendments to H. F. No. 1730, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

I hereby announce 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. 2474, A bill for an act relating to insurance; long-term care; modifying the definition of medically prescribed long-term care; allowing additional licensed health care providers to prepare plans of care; regulating assessments; regulating cancellations; amending Minnesota Statutes 1988, sections 62A.46, subdivisions 2, 4, 5, and 8; 62A.48, subdivision 3, and by adding a subdivision; and 62A.56; Minnesota Statutes 1989 Supplement, section 62A.48, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

Skoglund moved that the House refuse to concur in the Senate amendments to H. F. No. 2474, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

I hereby announce 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. 2294, A bill for an act relating to drivers' licenses; providing for electronically produced images on drivers' licenses; providing for living will designation on driver's licenses; allowing commissioner to suspend a driver's license for failure to report certain medical conditions; amending Minnesota Statutes 1988, sections 171.07, subdivisions 1a and 6, and by adding a subdivision; and 171.071; Minnesota Statutes 1989 Supplement, sections 171.06, subdivision 3; 171.07, subdivisions 1 and 3; and 171.18.

PATRICK E. FLAHAVEN, Secretary of the Senate

Hausman moved that the House refuse to concur in the Senate amendments to H. F. No. 2294, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

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 Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Waldorf; Hughes; Johnson, D. E.; Dicklich and Mrs. Brataas.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Carlson, L., moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 5 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 2618. The motion prevailed.

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. 2042, A bill for an act relating to consumer protection; limiting the locations in which sales of tobacco by vending machine may be made; proposing coding for new law in Minnesota Statutes, chapter 325E.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

McEachern moved that the House concur in the Senate amendments to H. F. No. 2042 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2042, A bill for an act relating to consumer protection; limiting the locations in which sales of tobacco by vending machine may be made; proposing coding for new law in Minnesota Statutes, chapter 325E.

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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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. 2462, A bill for an act relating to state government; regulating administrative procedures; including a statement of purpose; requiring agencies to send the LCRAR copies of statements of need and reasonableness; requiring an agency to provide notice of the hearing to those who requested it; making various technical changes; amending Minnesota Statutes 1988, sections 14.03; 14.131; 14.23; and 14.25; Minnesota Statutes 1989 Supplement, section 14.02, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 14.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Gruenes moved that the House concur in the Senate amendments to H. F. No. 2462 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2462, A bill for an act relating to state government;

regulating administrative procedures; including a statement of purpose; requiring agencies to send the LCRAR copies of statements of need and reasonableness; requiring an agency to provide notice of the hearing to those who requested it; making various technical changes; amending Minnesota Statutes 1988, sections 14.03; 14.131; 14.23; and 14.25; Minnesota Statutes 1989 Supplement, section 14.02, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 14.

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	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	Kahn	O'Connor	Rukavina	Wenzel
Dempsey	Kalis	Ogren	Runbeck	Williams
Dille	Kelly	Olsen, S.	Sarna	Winter
Dorn	Kelso	Olson, E.	Schafer	Spk. Vanasek
Forsythe	Kinkel	Olson, K.	Scheid	
Frederick	Knickerbocker	Omann	Schreiber	
Frerichs	Krueger	Onnen	Seaberg	

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 Files, herewith transmitted:

S. F. Nos. 2195, 1104, 1790, 2236 and 2617.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2195, A bill for an act relating to waste; prohibiting certain types of low-level radioactive waste from being disposed of at other than licensed facilities; providing for a task force on radioactive waste deregulation; proposing coding for new law in Minnesota Statutes, chapter 116C.

The bill was read for the first time.

Greenfield moved that S. F. No. 2195 and H. F. No. 2311, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1104, A bill for an act relating to probate; adopting the uniform anatomical gift act (1987); correcting cross-references; amending Minnesota Statutes 1988, sections 65B.44, subdivision 4; 171.07, subdivision 5; 390.36; and 525.921, subdivisions 1, 4, 5, 8, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 525; repealing Minnesota Statutes 1988, sections 525.921, subdivision 2; and 525.922 to 525.94, as amended.

The bill was read for the first time.

Greenfield moved that S. F. No. 1104 and H. F. No. 1101, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1790, A bill for an act relating to health; establishing a legislative task force to study the regulation of health insurance premium rates and health care costs.

The bill was read for the first time.

Jaros moved that S. F. No. 1790 and H. F. No. 1997, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2236, A bill for an act relating to the environment; defining facility and employer for purposes of infectious and pathological waste regulations; clarifying persons subject to infectious and pathological waste requirements; amending Minnesota Statutes 1989 Supplement, sections 116.76, subdivision 8, and by adding a subdivision; and 116.77.

The bill was read for the first time.

Kahn moved that S. F. No. 2236 and H. F. No. 2695, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2617, A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; reducing appropriations for the biennium ending June 30, 1991, with certain conditions; providing for the transfer of money in the state treasury; amending Minnesota Statutes 1989 Supplement, section 297B.09, subdivision 1.

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, Rice moved that the rule therein be suspended and an urgency be declared so that S. F. No. 2617 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Rice moved that the Rules of the House be so far suspended that S. F. No. 2617 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 2617 was read for the second time.

Rice moved to amend S. F. No. 2617, as follows:

Delete everything after the enacting clause and insert:

"Section 1. [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 269, to the specified agencies and for the purposes specified in this act. All appropriations are from the general fund unless otherwise indicated. 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
GENERAL	$477,000	$ 1,841,000
TRUNK HIGHWAY		533,000
HIGHWAY USER		130,000
SPECIAL REVENUE		(9,950,000)

	APPROPRIATIONS Available for the Year Ending June 30 1990	1991
Sec. 2. TRANSPORTATION		
Subdivision 1. Truck Safety Program		475,000
This appropriation is from the trunk highway fund. The approved complement of the department is increased by seven trunk highway fund positions for the truck safety program. The authorized complement is reduced by six federal fund positions in this activity. The department may use existing balances in equipment appropriations to support the equipment needs of this function.		
Subd. 2. Air Traffic Control Training Grant		
The department is authorized to accept a federal grant from the Federal Aviation Administration. $3,400,000 in fiscal year 1990 and $5,700,000 in fiscal year 1991 for a demonstration project to develop an alternative method of training air traffic controllers.		
Sec. 3. TRANSPORTATION REGULATION BOARD		58,000
(a) $25,000 is from the trunk highway fund for space rental and furniture for the South St. Paul Administrative Truck Center Building.		
(b) $33,000 is from the trunk highway fund for data processing enhancement.		

	1990	1991
	$	$
Sec. 4. TRANSPORTATION STUDY BOARD		130,000

This appropriation is from the highway user tax distribution fund.

Sec. 5. REGIONAL TRANSIT BOARD

$1,497,000 is transferred from the appropriation made in Laws 1989, chapter 269, section 3, subdivision 3, to the Regional Transit Board for Metro Mobility services to the department of human services to pay transportation costs of eligible disabled riders of Metro Mobility.

Sec. 6. PUBLIC SAFETY

Subdivision 1. Bureau of Criminal Apprehension

(a) Criminal Investigation and Assistance		326,000

The general fund approved complement of the Bureau of Criminal Apprehension is increased by six positions. This appropriation is to enhance narcotic investigation activities in greater Minnesota.

(b) Minnesota automated fingerprint identification network	$(275,000)	
Subd. 2. Office of Drug Policy		50,000

(a) This appropriation is to match a federal Bureau of Justice Assistance grant to evaluate drug control programs.

(b) The department is authorized to accept a federal grant from the federal Bureau of Justice Assistance in the amount of $6,873,000 for drug enforcement activity to be matched with 25 percent state funds. Match funds for

	1990	1991
	$	$
this grant are available until spent for the purposes appropriated.		
Subd. 3. Lawful Gambling Regulation and Enforcement		1,078,000
The general fund approved complement of the department is increased by nine positions. The positions and appropriation in this subdivision are available only if the bill styled as H.F. 2005 is enacted in the 1990 legislative session. Any unencumbered balance in this appropriation remaining in the first year does not cancel, but is available for the second year of the biennium. Any unencumbered balance remaining from the appropriation made in Laws 1989, chapter 334, article 8, section 5, subdivision 2, does not cancel, but is available for the second year of the biennium.		
Subd. 4. Capitol Security Tunnel Surveillance		$(45,000)
Subd. 5. Fire Safety		(4,000)
The approved complement of the department is increased by five positions for school building inspection. These positions shall only be filled if funding is provided by the commissioner of education.		
Subd. 6. Ancillary Services Crime Victims Reparations		(50,000)
Subd. 7. Administration and Related Services		
(a) Traffic Safety		(53,000)
(b) Soft Body Armor Reimbursement		(50,000)
Subd. 8. Bicycle Registration		(50,000)
Sec. 7. BOARD OF PEACE OFFICER STANDARDS AND TRAINING		(100,000)
Sec. 8. DEPARTMENT OF COMMERCE		
Administrative Services		(122,000)

	1990	1991
	$	$
Sec. 9. BOARD OF WATER AND SOIL RESOURCES		
(a) Local water resources protection grants		(500,000)
(b) Well sealing cost share grants		(100,000)
Sec. 10. GAMING		
Subdivision 1. Lawful Gambling Regulation and Enforcement		1,623,000
The approved complement of the department is increased by 30 positions for this activity.		
Subd. 2. Lottery-related costs		
The lottery shall reimburse the general fund $150,000 in fiscal year 1991 for lottery-related costs incurred by the department of public safety.		
Sec. 11. AGRICULTURE		
Subdivision 1. Apiary Deficiency	$39,000	
Subd. 2. Haylift Expenses	24,000	
Subd. 3. Building Lease Renewal Cost Increases	196,000	83,000
Subd. 4. Agricultural Lime Regulation		60,000
The approved general fund complement of the department is increased by one position for this activity.		
Subd. 5. Grasshopper Control Costs	597,000	
This appropriation is to reimburse counties and townships for up to 50 percent of the costs incurred for grasshopper control activities during calendar year 1989. Eligible costs must be documented and submitted on forms provided by the commissioner. Reimbursements will be made only for activities conducted in designated grasshopper control zones.		

	1990	1991
	$	$
Subd. 6. Bovine Growth Hormone Study		25,000
The department shall immediately undertake research to determine the potential economic consequences of the use of bovine growth hormone. The department shall report its findings to the legislature by January 15, 1991.		
Subd. 7. Reductions		
The following amounts are reduced from the appropriations made in Laws 1989, chapter 269, section 7, and Laws 1989, chapter 350.		
(a) Family farm security interest adjustment payments	$(126,000)	$(126,000)
(b) Minnesota Grown Program		(100,000)
(c) Ethanol promotion		(38,000)
(d) Livestock compensation		(31,000)
(e) General		(211,000)
Sec. 12. BOARD OF ANIMAL HEALTH		
Pseudorabies Control		$(100,000)
The approved complement of the board is increased by one position.		
Sec. 13. GREATER MINNESOTA CORPORATION		(10,000,000)
$10,000,000 is transferred from the greater Minnesota account in the special revenue fund to the general fund.		
Sec. 14. WORLD TRADE CENTER CORPORATION		35,000
This appropriation is to be matched with $25,000 in goods and services from other sources to conduct the World Export Processing Zone Association international convention to be held in Minnesota in May 1991.		

	1990	1991
	$	$
Sec. 15. INDIAN AFFAIRS COUNCIL		
Subdivision 1. Reburial of Indian Remains		90,000
Subd. 2. Indian Business Loan Program		50,000
This appropriation is from the special revenue fund.		
The approved complement of the council is increased by one position for this activity.		
Sec. 16. BOARD OF THE ARTS		116,000
This appropriation is to match a grant from the National Endowment for the Arts.		
Sec. 17. BOARD OF ARCHITECTURE, ENGINEERING, LAND SURVEYING AND LANDSCAPE ARCHITECTURE	$22,000	
Sec. 18. MINNESOTA HISTORICAL SOCIETY		
Subdivision 1. Fiscal Agent		
(a) Minnesota Humanities Commission		35,000
Sec. 19. PUBLIC SERVICE		
The public service department shall develop and implement options to recover part of the costs of the energy division in evaluation and approval activities related to the conservation improvement program.		
Sec. 20. EFFECT OF REDUCTIONS TO TRUNK HIGHWAY FUND		
It is the intent of the legislature that any reduction in revenues to the trunk		

	1990	1991
	$	$

highway fund in fiscal year 1991 caused by changes in the 1990 legislative session in the allocation of revenues from the motor vehicle excise tax not result in the delay, deferral, or cancellation of any trunk highway improvement project presently included in the department of transportation's trunk highway construction plan.

Sec. 21. [RULES FOR AQUICULTURE RESEARCH PERMITS.]

Not later than October 1, 1991, the commissioner of agriculture, in consultation with the commissioners of health, natural resources, and the pollution control agency, and the advisory committee established under Minnesota Statutes, section 17.49, subdivision 1, shall adopt rules to expedite permits from all permitting authorities for aquiculture research projects and for private or public-private economic ventures in aquiculture.

Sec. 22. [ENERGY SAVINGS GRANTS; APPROPRIATION.]

Subdivision 1. [AUTHORITY.] Notwithstanding any law to the contrary, including but not limited to Minnesota Statutes, section 4.071, the amounts provided in this section are appropriated from the money received by the governor, the commissioner of finance, or any other state agency as a result of the settlement of the United States District Court, 578 F. Supp. 586 (D.Kan. 1983). The appropriations remain available until spent.

Subd. 2. [GRANT TO SCHOOL DISTRICT 625.] $230,000 is appropriated to the commissioner of public service, energy division, for the purposes of a grant to independent school district No. 625 to engage in programs promoting energy savings.

Sec. 23. [CHILD PROTECTION HOTLINE; FUND TRANSFER.]

Notwithstanding Minnesota Statutes, sections 299A.22 to 299A.25, or any other law to the contrary, up to $45,000 from the children's trust fund established under section 299A.22, to be administered by the children's trust fund for the fiscal year ending June 30, 1991, must be used to fund and administer the professional consultation telephone line and service authorized by Minnesota Statutes, section 626.562.

Sec. 24. [MOTOR VEHICLE EXCISE TAX REVENUE TRANSFER; LIMITATION.]

Notwithstanding Minnesota Statutes, section 297B.09, the commissioner of finance may not transfer in the biennium ending June 30, 1991, from revenues received from the tax imposed by section 297B.02, more than $175,500,000 to the highway user tax distribution fund, the trunk highway fund, and the transit assistance fund combined. Any revenue from the tax which but for this section would be transferred to those funds, must be credited to the general fund.

Sec. 25. [TRUCK OVERWEIGHT PENALTIES; REFUNDS.]

The commissioner of public safety may pay refunds of civil penalties collected for truck weight violations cited by state patrol officers and committed while crossing the marked trunk highway No. 169 bridge between the cities of Anoka and Champlin between January 15, 1988, and November 15, 1988. The refund in each case must be the difference between the civil penalty actually paid for the violation and the maximum fine which could have been imposed as a criminal penalty for the violation had the violation been charged as a misdemeanor; provided that in no case shall a refund for a civil penalty exceed the amount received by the highway user tax distribution fund from that civil penalty. The commissioner of public safety may require documentation as the commissioner deems necessary to determine eligibility for a refund under this section. A sum of money sufficient to pay the refunds authorized under this section is appropriated to the commissioner of public safety from the highway user tax distribution fund. This appropriation is available until expended.

Sec. 26. Minnesota Statutes 1988, section 37.03, subdivision 1, is amended to read:

Subdivision 1. [MEMBERS.] Members of the state agricultural society must be citizens of this state. The membership is as follows:

(a) Three delegates chosen annually by each agricultural society or association in the state which maintains an active existence, holds annual fairs, and is entitled to share in the state appropriation under the provisions of section 38.02. If one of those societies or associations fails to choose delegates, then its president, secretary, and treasurer, by virtue of their offices, are its delegates. If two fairs receiving state aid are operating in one county, each delegate from each society or association is entitled to one-half vote at regular or special meetings of the state society.

(b) One delegate appointed by the county board of each county in which no county or district agricultural society exists.

(c) Individuals elected by the society as honorary members for having performed eminent services in agriculture, horticulture, or related arts and sciences or long and faithful service in or benefits to

the society. Honorary members must be elected by two-thirds vote at any annual meeting. The number of honorary members may not exceed the society's membership and only one honorary member may be elected annually. Each honorary member is entitled to one vote.

(d) Two elected delegates and the president may represent each of the following societies and associations: Red River Valley Winter Shows, the Minnesota State Horticultural Society, the State Dairyman's Association, the Minnesota Dairy Goat Association, the Minnesota Honey Producers Association, Inc., the Minnesota Livestock Breeders' Association, the Minnesota Crop Improvement Association, the Minnesota Pork Producers Association, the Minnesota Lamb and Wool Producers Association, the Minnesota Horse Breeders' Association, the Minnesota Veterinary Medical Association, the Minnesota Cattle Breeders' Association, the Central Livestock Association, the Minnesota State Poultry Association, the Farm Equipment Association, the North Central Florist Association, the Minnesota Garden Flower Society, the State Fair Exhibitors' Organization, the Minnesota Federation of County Fairs, the State Forestry Association, the Minnesota Horse Council, Minnesota Nurserymen's Association, Minnesota Apple Growers' Association, State Grange of Minnesota, Minnesota Farmers' Union, American Dairy Association of Minnesota, and the Minnesota Farm Bureau Federation.

(e) The following societies and associations are entitled to one delegate each: Central Minnesota Vegetable Growers Association, the Minnesota Fruit and Vegetable Growers' Association, Minnesota Shorthorn Breeders' Association, the Minnesota Milking Shorthorn Association, Minnesota Guernsey Breeders' Association, Minnesota Jersey Cattle Club, Minnesota Holstein Association, Minnesota Hereford Association, Minnesota Aberdeen Angus Breeders', Minnesota Red Polled Breeders', Minnesota Ayreshire Breeders' Association, Minnesota Brown Swiss Association, Minnesota Poland China Breeders' Association, Minnesota Duroc Breeders', Minnesota Chester White Association, Minnesota Turkey Growers' Association, Minnesota Gladiolus Society, Minnesota Hampshire Association, Minnesota Suffolk Association, North American Dairy Sheep Association, and the Minnesota Berkshire Association. All of these societies and associations must be active and statewide in their scope and operation, hold annual meetings, and be incorporated under the laws of the state before they are entitled to a delegate. The societies and associations must file with the secretary of state, on or before December 20, a report showing that the society or association has held a regular annual meeting for that year, a summary of its financial transactions for the current year, and an affidavit of the president and secretary that it has a paid-up membership of at least 25. On or before December 31, the secretary of state shall certify to the secretary of the state agricultural society the names of the societies or associations that have complied with these provisions.

(f) The members of the board of managers of the state agricultural society are members of the society and entitled to one vote each.

Sec. 27. Minnesota Statutes 1988, section 84B.11, is amended by adding a subdivision to read:

Subd. 5. [EXPIRATION DATE.] Notwithstanding any law to the contrary, the citizens council on Voyageurs National Park is extended until June 30, 1993.

Sec. 28. Minnesota Statutes 1989 Supplement, section 168.011, subdivision 7, is amended to read:

Subd. 7. [PASSENGER AUTOMOBILE.] "Passenger automobile" means any motor vehicle designed and used for the carrying of not more than 15 persons including the driver. "Passenger automobile" does not include motorcycles ~~and~~, motor scooters, and buses described in subdivision 9, paragraph (a), clause (2). For purposes of taxation only, "passenger automobile" includes pickup trucks and vans.

Sec. 29. Minnesota Statutes 1989 Supplement, section 168.011, subdivision 9, is amended to read:

Subd. 9. [BUS; INTERCITY BUS.] (a) "Bus" means (1) every motor vehicle designed for carrying more than 15 passengers including the driver and used for transporting persons, and (2) every motor vehicle that is (i) designed for carrying more than ten passengers including the driver, (ii) used for transporting persons, and (iii) owned by a nonprofit organization and not operated for hire or for commercial purposes.

(b) "Intercity bus" means any bus operating as a common passenger carrier over regular routes and between fixed termini, but excluding all buses operating wholly within the limits of one city, or wholly within two or more contiguous cities, or between contiguous cities and a terminus outside the corporate limits of such cities, and not more than 20 miles distant measured along the fixed route from such corporate limits.

Sec. 30. Minnesota Statutes 1989 Supplement, section 168.33, subdivision 7, is amended to read:

Subd. 7. [FEES.] In addition to all other statutory fees and taxes, a filing fee of $3.50 is imposed on every application; except that a filing fee may not be charged for a document returned for a refund or for a correction of an error made by the department or a deputy registrar. The filing fee shall be shown as a separate item on all registration renewal notices sent out by the department of public safety. No filing fee or other fee may be charged for the permanent

surrender of a certificate of title and license plates for a motor vehicle. Filing fees collected under this subdivision by the registrar must be paid into the state treasury and credited to the highway user tax distribution fund, except fees for registrations of new motor vehicles. Filing fees collected for registrations of new motor vehicles must be paid into the state treasury with 50 percent of the money credited to the general fund and 50 percent credited to the highway user tax distribution fund.

Sec. 31. Minnesota Statutes 1988, section 170.23, is amended to read:

170.23 [ABSTRACTS; FEE; ADMISSIBLE IN EVIDENCE.]

The commissioner shall upon request furnish any person a certified abstract of the operating record of any person subject to the provisions of this chapter, and, if there shall be no record of any conviction of such person of violating any law relating to the operation of a motor vehicle or of any injury or damage caused by such person, the commissioner shall so certify. Such abstracts shall not be admissible as evidence in any action for damages or criminal proceedings arising out of a motor vehicle accident. A fee of $5 shall be paid for each such abstract. The commissioner shall permit a person to inquire into the operating record of any person by means of the inquiring person's own computer facilities for a fee to be determined by the commissioner of at least $2 for each inquiry. The commissioner shall furnish an abstract that is not certified for a fee to be determined by the commissioner in an amount less than the fee for a certified abstract but more than the fee for an inquiry by computer. Fees collected under this section must be paid into the state treasury with 90 percent of the money credited to the trunk highway fund and ten percent credited to the general fund.

Sec. 32. [174.026] [PROHIBITION ON EXCLUSIVE CONTRACTS.]

The commissioner of transportation may not enter into a contract that provides a radio or television station with an exclusive right to broadcast traffic information that is compiled and made available by the department of transportation. The commissioner may not renew a contract entered into before July 1, 1990, that is not in compliance with this section.

Sec. 33. Minnesota Statutes 1988, section 297B.09, is amended by adding a subdivision to read:

Subd. 3. [REDUCTION OF TRANSFER.] Notwithstanding subdivision 1, the commissioner of finance shall reduce by $1,300,000 the amount of money collected and received under this chapter that would otherwise be transferred to the trunk highway fund in the fiscal year ending June 30, 1991.

Sec. 34. Laws 1989, chapter 307, section 43, is amended to read:

Sec. 43. [APPROPRIATION.]

$480,000 is appropriated to the commissioner of public safety from the trunk highway fund for record keeping, implementation, and administration of sections 1 to 42. $252,000 is for fiscal year 1990 and $228,000 is for fiscal year 1991. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium."

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money and reducing appropriations for the department of transportation and other agencies with certain conditions; transferring funds; regulating certain activities and practices; providing for certain funds, accounts, and fees; requiring studies and reports; providing penalties; amending Minnesota Statutes 1988, sections 37.03, subdivision 1; 84B.11, by adding a subdivision; 170.23; and 297B.09, by adding a subdivision; Minnesota Statutes 1989 Supplement, sections 168.011, subdivisions 7 and 9; and 168.33, subdivision 7; Laws 1989, chapter 307, section 43; proposing coding for new law in Minnesota Statutes, chapter 174."

The motion prevailed and the amendment was adopted.

Rice moved to amend S. F. No. 2617, as amended, as follows:

Pages 6 and 7, delete section 22

Renumber the sections in sequence

Correct internal references

The motion prevailed and the amendment was adopted.

Rice and Solberg moved to amend S. F. No. 2617, as amended, as follows:

Page 8, after line 5, insert:

"Sec. 26. Minnesota Statutes 1988, section 10A.02, subdivision 1, is amended to read:

Subdivision 1. There is hereby created a state ~~ethical practices~~ campaign reporting board composed of six members. The members

shall be appointed by the governor with the advice and consent of three-fifths of both the senate and the house of representatives acting separately. If either house fails to confirm the appointment of a board member within 45 legislative days after appointment, or by adjournment sine die, whichever occurs first, the appointment shall terminate on the day following the 45th legislative day or on adjournment sine die, whichever occurs first. If either house votes not to confirm an appointment, the appointment terminates on the day following the vote not to confirm. One member shall be a former member of the legislature from a major political party different from that of the governor; one member shall be a former member of the legislature from the same political party as the governor; two members shall be persons who have not been public officials, held any political party office other than precinct delegate, or been elected to public office for which party designation is required by statute in the three years preceding the date of their appointment; and the other two members shall not support the same political party. No more than three of the members of the board shall support the same political party.

Sec. 27. Minnesota Statutes 1988, section 10A.04, subdivision 4, is amended to read:

Subd. 4. The report shall include such information as the board may require from the registration form and the following information for the reporting period:

(a) The lobbyist's total disbursements on lobbying, listing lobbying to influence legislative action separately from lobbying to influence administrative action, and a breakdown of ~~those~~ disbursements for each of those kinds of lobbying into categories specified by the board, including but not limited to the cost of publication and distribution of each publication used in lobbying; other printing; media, including the cost of production; postage; travel; fees, including allowances; entertainment; telephone and telegraph; and other expenses;

(b) The amount and nature of each honorarium, gift, loan, item or benefit, excluding contributions to a candidate, equal in value to $50 or more, given or paid to any public official by the lobbyist or any employer or any employee of the lobbyist. The list shall include the name and address of each public official to whom the honorarium, gift, loan, item or benefit was given or paid and the date it was given or paid; and

(c) Each original source of funds in excess of $500 in any year used for the purpose of lobbying to influence legislative action and each such source of funds used to influence administrative actions. The list shall include the name, address and employer, or, if self-employed, the occupation and principal place of business, of each payer of funds in excess of $500.

Sec. 28. Minnesota Statutes 1988, section 10A.05, is amended to read:

10A.05 [LOBBYIST REPORT.]

Within 30 days after each lobbyist filing date set by section 10A.04, the executive director of the board shall report to the governor, and the presiding officer of each house of the legislature, the names of the lobbyists registered who were not previously reported, the names of the persons or associations whom they represent as lobbyists ~~and~~, the subject or subjects on which they are lobbying, and whether in each case they lobby to influence legislative or administrative action or both."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Macklin, Frederick, Swenson, Poppenhagen, Blatz, Bennett, Seaberg, Limmer, Morrison, Runbeck and Marsh moved to amend S. F. No. 2617, as amended, as follows:

Page 3, delete lines 10 and 11 and insert:

"Subd. 2. Office of Drug Policy 2,300,000

(a) This appropriation is for grants to multidisciplinary chemical abuse prevention teams.

(b) $50,000 for fiscal year ending June 30, 1991, is to match"

Page 3, line 14, delete "(b)" and insert "(c)"

Page 5, line 22, delete "(10,000,000)" and insert "(11,500,000)"

Page 5, line 28, delete "35,000" and insert "(765,000)"

Page 12, after line 24, insert:

"Sec. 33. Minnesota Statutes 1989 Supplement, section 299A.40, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT OF TEAM.] A county, a multicounty organization of counties formed by an agreement under section 471.59, or ~~a~~ any city ~~with a population of no more than 50,000~~ other than a city of the first class, may establish a multidisciplinary chemical abuse prevention team. The chemical abuse prevention team may include, but not be limited to, representatives of health, mental health, public health, law enforcement, educational, social service, court service, community education, religious, and other appropriate agencies, civic organizations, city councils, and parent and youth groups. For purposes of this section, "chemical abuse" has the meaning given in Minnesota Rules, part 9530.6605, subpart 6. When possible the team must coordinate its activities with existing local groups, organizations, and teams dealing with the same issues the team is addressing.

Sec. 34. Minnesota Statutes 1989 Supplement, section 299A.40, subdivision 3, is amended to read:

Subd. 3. [GRANTS ~~FOR DEMONSTRATION PROGRAM~~.] The assistant commissioner of the office of drug policy may award a grant to a county, multicounty organization, or city, as described in subdivision 1, for establishing and operating a multidisciplinary chemical abuse prevention team. ~~The assistant commissioner may approve up to five applications for grants under this subdivision.~~ Grants may only be awarded to applicants who agree to match each 50 cents of state grant money with $1 of local funds derived from nongovernmental sources. The total amount of the state grant may not exceed an amount equal to the applicant's per capita population multiplied by $1. The grant funds must be used to establish a multidisciplinary chemical abuse prevention team to carry out the duties in subdivision 2.

Sec. 35. Laws 1989, chapter 269, section 8, is amended to read:

Sec. 8. WORLD TRADE CENTER CORPORATION	1,350,000	~~800,000~~
This appropriation includes $450,000 in the first year to cover part of the cost of conducting the World Assembly in Minnesota in 1990. It is the intent of the legislature that the World Trade Center Corporation secure an additional $300,000 from sources other than state funds to cover the cost of conducting this event. The corporation shall report the results of its efforts to the legislature by January 15, 1991.		
Any unencumbered balance remaining in fiscal year 1989 does not cancel but		

is available for fiscal year 1990 and any unencumbered balance remaining in fiscal year 1990 does not cancel but is available for fiscal year 1991."

Adjust figures accordingly

Renumber the sections in sequence

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Macklin et al amendment and the roll was called. There were 52 yeas and 74 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

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

Boo moved to amend S. F. No. 2617, as amended, as follows:

Page 12, delete section 33

Renumber sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Boo amendment and the roll was called. There were 57 yeas and 67 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

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

Runbeck, Macklin and McPherson moved to amend S. F. No. 2617, as amended, as follows:

Page 8, after line 5, insert:

"Sec. 26. [CAPITAL IMPROVEMENTS FOR MINOR AIRPORTS.]

Notwithstanding other law to the contrary, no capital expansion improvements may be made to any minor airport in the seven-

county metropolitan area until the commission selects a site for a major new airport under Minnesota Statutes, section 473.616, subdivision 3. For purposes of this section, "capital improvement" does not include the repair and maintenance of present runways and facilities and safety improvements."

Renumber the sections in sequence

A roll call was requested and properly seconded.

POINT OF ORDER

Carruthers raised a point of order pursuant to rule 3.9 that the Runbeck et al amendment was not in order. The Speaker ruled the point of order not well taken and the amendment in order.

The question recurred on the Runbeck et al amendment and the roll was called. There were 29 yeas and 89 nays as follows:

Those who voted in the affirmative were:

Bennett	Frerichs	Jaros	Poppenhagen	Stanius
Boo	Girard	Macklin	Quinn	Sviggum
Burger	Gutknecht	McDonald	Redalen	Swenson
Dempsey	Haukoos	McPherson	Richter	Valento
Forsythe	Heap	Miller	Runbeck	Waltman
Frederick	Hugoson	Omann	Schafer	

Those who voted in the negative were:

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

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

Olsen, S.; Valento; Tompkins; McDonald; Waltman; Uphus; For-

sythe; Richter; Burger; Pellow; Heap; Carlson, D.; Swenson; Sviggum; Limmer; Bennett; McPherson; Hugoson and Girard moved to amend S. F. No. 2617, as amended, as follows:

Page 5, line 22, delete "(10,000,000)" and insert "(10,800,000)"

Page 5, line 29, before "This" insert "(a)"

Page 5, after line 34, insert:

"(b) General reduction (800,000)"

Page 7, delete section 24

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 Olsen, S., et al amendment and the roll was called. There were 46 yeas and 82 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, G.	Dawkins	Johnson, R.	McGuire	Orenstein
Battaglia	Dorn	Johnson, V.	McLaughlin	Osthoff
Bauerly	Frerichs	Kahn	Milbert	Ostrom
Beard	Greenfield	Kalis	Munger	Otis
Begich	Hasskamp	Kelly	Murphy	Pappas
Bertram	Hausman	Kelso	Nelson, C.	Pelowski
Brown	Jacobs	Kinkel	Nelson, K.	Peterson
Carlson, L.	Janezich	Krueger	Neuenschwander	Pugh
Carruthers	Jaros	Lasley	O'Connor	Quinn
Clark	Jefferson	Lieder	Ogren	Redalen
Cooper	Jennings	Long	Olson, E.	Reding
Dauner	Johnson, A.	McEachern	Olson, K.	Rest

Rice	Seaberg	Sparby	Vellenga	Winter
Rodosovich	Segal	Steensma	Wagenius	Spk. Vanasek
Rukavina	Simoneau	Trimble	Welle	
Sarna	Skoglund	Tunheim	Wenzel	
Scheid	Solberg	Uphus	Williams	

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

Stanius moved to amend S. F. No. 2617, as amended, as follows:

Page 3, after line 39, insert:

"The gambling control board may publish notice of intent to adopt a rule with or without a hearing under chapter 14 only once in a calendar year unless the proposed rule is reviewed and approved by the legislative commission to review administrative rules prior to the publication of the notice of intent to adopt the rule."

A roll call was requested and properly seconded.

The question was taken on the Stanius amendment and the roll was called. There were 90 yeas and 41 nays as follows:

Those who voted in the affirmative were:

Abrams	Forsythe	Kelso	O'Connor	Schafer
Anderson, G.	Frederick	Kinkel	Olsen, S.	Scheid
Anderson, R.	Frerichs	Knickerbocker	Olson, E.	Schreiber
Bauerly	Girard	Krueger	Olson, K.	Seaberg
Beard	Gruenes	Lasley	Omann	Solberg
Bennett	Gutknecht	Limmer	Onnen	Sparby
Bertram	Hartle	Lynch	Ostrom	Stanius
Bishop	Hasskamp	Macklin	Ozment	Steensma
Blatz	Haukoos	Marsh	Pauly	Sviggum
Boo	Heap	McDonald	Pellow	Swenson
Burger	Henry	McEachern	Pelowski	Tjornhom
Carlson, D.	Himle	McGuire	Poppenhagen	Tompkins
Carlson, L.	Hugoson	McPherson	Price	Tunheim
Cooper	Jacobs	Milbert	Pugh	Uphus
Dauner	Janezich	Miller	Redalen	Valento
Dempsey	Jennings	Morrison	Richter	Waltman
Dille	Johnson, R.	Nelson, C.	Runbeck	Weaver
Dorn	Johnson, V.	Neuenschwander	Sarna	Winter

Those who voted in the negative were:

Battaglia	Clark	Jaros	Kalis	McLaughlin
Begich	Dawkins	Jefferson	Kelly	Munger
Brown	Greenfield	Johnson, A.	Lieder	Murphy
Carruthers	Hausman	Kahn	Long	Nelson, K.

Ogren	Peterson	Rodosovich	Trimble	Spk. Vanasek
Orenstein	Quinn	Rukavina	Vellenga	
Osthoff	Reding	Segal	Wagenius	
Otis	Rest	Simoneau	Welle	
Pappas	Rice	Skoglund	Wenzel	

The motion prevailed and the amendment was adopted.

Omann; Vellenga; Gruenes; Bertram; Beard; McEachern; Johnson, V.; Bauerly; Marsh and Uphus moved to amend S. F. No. 2617, as amended, as follows:

Page 3, after line 39, insert:

"Subd. 4. Stearns County

Criminal Investigation Assistance 100,000

This appropriation is to reimburse Stearns county for costs associated with investigation and production of criminal files, which will assist in future investigations in Minnesota, while responding to the Jacob Wetterling abduction."

Renumber the subdivisions in sequence

Adjust figures accordingly

Amend the title accordingly

The question was taken on the Omann et al amendment and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Clark	Henry	Lasley	Nelson, C.
Anderson, G.	Cooper	Himle	Lieder	Nelson, K.
Anderson, R.	Dauner	Hugoson	Limmer	Neuenschwander
Battaglia	Dempsey	Jacobs	Long	O'Connor
Bauerly	Dorn	Janezich	Lynch	Ogren
Beard	Forsythe	Jaros	Macklin	Olsen, S.
Begich	Frederick	Jennings	Marsh	Olson, E.
Bennett	Frerichs	Johnson, A.	McDonald	Olson, K.
Bertram	Girard	Johnson, R.	McEachern	Omann
Bishop	Greenfield	Johnson, V.	McGuire	Onnen
Blatz	Gruenes	Kahn	McLaughlin	Orenstein
Boo	Gutknecht	Kalis	McPherson	Ostrom
Brown	Hartle	Kelly	Milbert	Otis
Burger	Hasskamp	Kelso	Miller	Ozment
Carlson, D.	Haukoos	Kinkel	Morrison	Pappas
Carlson, L.	Hausman	Knickerbocker	Munger	Pauly
Carruthers	Heap	Krueger	Murphy	Pellow

Pelowski	Rice	Segal	Tompkins	Welle
Peterson	Richter	Simoneau	Trimble	Wenzel
Poppenhagen	Rodosovich	Solberg	Tunheim	Williams
Price	Rukavina	Sparby	Uphus	Winter
Pugh	Runbeck	Stanius	Valento	Spk. Vanasek
Quinn	Sarna	Steensma	Vellenga	
Redalen	Schafer	Sviggum	Wagenius	
Reding	Schreiber	Swenson	Waltman	
Rest	Seaberg	Tjornhom	Weaver	

The motion prevailed and the amendment was adopted.

Waltman and Sviggum moved to amend S. F. No. 2617, as amended, as follows:

Page 5, delete line 14

Page 5, after line 17, insert:

"The appropriation in Laws 1989, section 7, subdivision 3, for the Minnesota Grown account may not be used for salaries or administrative costs associated with the program."

Page 5, line 22, delete "(10,000,000)" and insert "(10,100,000)"

Renumber the clauses in sequence

The question was taken on the Waltman and Sviggum amendment and the roll was called. There were 50 yeas and 76 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, G.	Carruthers	Gruenes	Kalis	McEachern
Battaglia	Clark	Hausman	Kelly	McGuire
Bauerly	Cooper	Jacobs	Kelso	McLaughlin
Beard	Dauner	Janezich	Kinkel	Milbert
Begich	Dawkins	Jaros	Krueger	Munger
Bennett	Dorn	Jefferson	Lasley	Murphy
Bertram	Frerichs	Johnson, A.	Lieder	Nelson, C.
Carlson, L.	Greenfield	Johnson, R.	Long	Nelson, K.

Neuenschwander	Otis	Rest	Simoneau	Welle
O'Connor	Pappas	Rice	Skoglund	Wenzel
Ogren	Pelowski	Rodosovich	Sparby	Winter
Olson, E.	Peterson	Rukavina	Steensma	Spk. Vanasek
Olson, K.	Price	Sarna	Trimble	
Orenstein	Pugh	Scheid	Tunheim	
Osthoff	Quinn	Seaberg	Vellenga	
Ostrom	Reding	Segal	Wagenius	

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

Kahn and Carlson, D., moved to amend S. F. No. 2617, as amended, as follows:

Page 6, line 28, delete "AQUICULTURE" and insert "AQUACULTURE"

Page 6, lines 34 and 35, delete "aquiculture" and insert "aquaculture"

The motion prevailed and the amendment was adopted.

CALL OF THE HOUSE

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

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

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.

Stanius; Kahn; Carlson, D.; Battaglia; Runbeck; Schreiber; Waltman; Omann; Hartle; Scheid; Bennett; Redalen; Himle; Henry; Lynch; Marsh; Limmer; Knickerbocker; Tompkins; Macklin; Blatz; Miller; Girard; Uphus; Bishop; Tjornhom; McPherson; Heap; Johnson, V.; Hugoson; Munger; Weaver; Frerichs; Osthoff; McDonald; Olsen, S.; Richter; Ozment; Swenson; Schafer; Sviggum; Abrams; Pugh; Poppenhagen; Frederick; Gruenes; Haukoos; Pellow and Valento moved to amend S. F. No. 2617, as amended, as follows:

Page 1, after line 16, insert:

"ARTICLE 1"

Page 12, after line 33, insert:

"ARTICLE 2

ENVIRONMENTAL INITIATIVE

Section 1. Minnesota Statutes 1988, section 84.95, is amended by adding a subdivision to read:

Subd. 1a. [REVENUE.] Beginning with the first full fiscal year during which lottery proceeds are received and for the first full five fiscal years, the commissioner of finance shall credit 25 percent of the net proceeds from the state-operated lottery to the reinvest in Minnesota resources fund established in subdivision 1 to be used, as appropriated by the legislature, for the purposes of subdivisions 2 and 3. Thereafter, the commissioner shall credit up to 25 percent as determined by law each biennium, of the net proceeds from the state-operated lottery to the reinvest in Minnesota resources fund.

Sec. 2. Minnesota Statutes 1989 Supplement, section 116O.12, is amended to read:

116O.12 [GREATER MINNESOTA ACCOUNT.]

(a) The Greater Minnesota account is in the special revenue fund. Money in the account not needed for the immediate purposes of the corporation may be invested by the state board of investment in any way authorized by section 11A.24. Money in the account is appropriated to the corporation to be used as provided in this chapter.

(b) The account consists of:

(1) money appropriated and transferred from other state funds;

(2) fees and charges collected by the corporation;

(3) income from investments and purchases;

(4) revenue from loans, rentals, royalties, dividends, and other proceeds collected in connection with lawful corporate purposes;

(5) gifts, donations, and bequests made to the corporation; and

(6) through the first five full fiscal years, during which proceeds from the lottery are received, ~~one-half~~ 25 percent of the net proceeds of the state-operated lottery must be credited to the Greater Minnesota Corporation account. Thereafter, up to ~~one-half~~ 25 percent, as determined by law each biennium, of the net proceeds from the state-operated lottery must be credited to the Greater Minnesota Corporation account.

Sec. 3. [APPROPRIATION.]

The following appropriations made to the commissioner of natural resources for fiscal year 1991 from the lottery proceeds attributed to the reinvest in Minnesota resources fund in Minnesota Statutes, section 84.95, subdivision 1a, are subject to receipt of anticipated revenues. Should revenues be less than anticipated, the appropriations indicated shall be reduced on a pro rata basis:

(1) $2,000,000 for fisheries habitat acquisition and improvement including rock reefs under Minnesota Statutes, section 84.95;

(2) $2,500,000 for wildlife habitat acquisition and improvement under Minnesota Statutes, section 84.95;

(3) $500,000 for forest wildlife habitat improvement;

(4) $1,000,000 for forest acquisition in the Richard J. Dorer Memorial Hardwood Forest;

(5) $1,000,000 for prairie to protect and enhance native prairie lands under Minnesota Statutes, section 84.96;

(6) $1,500,000 for wetlands preservation through the waterbank program, under Minnesota Statutes, section 105.392;

(7) $500,000 for acquisition of lands and scenic easements on designated wild and scenic rivers under Minnesota Statutes, section 104.37;

(8) $1,000,000 for acquisition of scientific and natural areas designated under Minnesota Statutes, section 84.033;

(9) $1,000,000 for acquisition and enhancement of critical natural habitat under Minnesota Statutes, section 84.944; and

(10) $1,000,000 for the County Biological Survey.

The commissioner of natural resources shall provide the necessary professional services for the performance of the duties under this section from the amount appropriated for the various purposes."

Adjust figures accordingly

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Stanius et al amendment and the roll was called.

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

There were 56 yeas and 74 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

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

Valento moved to amend S. F. No. 2617, as amended, as follows:

Page 2, after line 28, insert:

"Subd. 3. Public Transit Assistance (3,408,000)

$3,408,000 is transferred from the appropriations made for light rail transit in Laws 1989, chapter 269, section 2, subdivision 3, paragraph (a), for distribution as provided in section 32, subdivision 1, paragraph (b)."

Adjust the totals accordingly

Page 7, delete section 24

Page 12, after line 17, insert:

"Sec. 32. Minnesota Statutes 1989 Supplement, section 297B.09, subdivision 1, is amended to read:

Subdivision 1. [GENERAL FUND SHARE.] (a) Money collected and received under this chapter must be deposited in the state treasury and credited to the general fund. The amounts collected and received shall be credited as provided in this subdivision, and transferred from the general fund on July 15 and January 15 of each fiscal year. The commissioner of finance must make each transfer based upon the actual receipts of the preceding six calendar months and include the interest earned during that six-month period. The commissioner of finance may establish a quarterly or other schedule providing for more frequent payments to the transit assistance fund if the commissioner determines it is necessary or desirable to provide for the cash flow needs of the recipients of money from the transit assistance fund.

(b) Thirty percent of the money collected and received under this chapter after June 30, 1988, and before July 1, 1991, and an additional $3,408,000 for the fiscal year ending June 30, 1991, must be transferred to the highway user tax distribution fund and the transit assistance fund for apportionment as follows: 75 percent must be transferred to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund, and the remaining 25 percent of the money must be transferred to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state and to the regional transit board.

(c) Five percent of the money collected and received under this chapter after June 30, 1989, and before July 1, 1991, must be

transferred as follows: 75 percent must be transferred to the trunk highway fund and 25 percent must be transferred to the transit assistance fund.

(d) Thirty-five percent of the money collected and received under this chapter after June 30, 1991, must be transferred as follows: 75 percent must be transferred to the trunk highway fund and 25 percent must be transferred to the transit assistance fund.

(e) The distributions under this subdivision to the highway user tax distribution fund until June 30, 1991, and to the trunk highway fund thereafter, must be reduced by the amount necessary to fund the appropriation under section 41A.09, subdivision 1. For the fiscal years ending June 30, 1988, and June 30, 1989, the commissioner of finance, before making the transfers required on July 15 and January 15 of each year, shall estimate the amount required to fund the appropriation under section 41A.09, subdivision 1, for the six-month period for which the transfer is being made. The commissioner shall then reduce the amount transferred to the highway user tax distribution fund by the amount of that estimate. The commissioner shall reduce the estimate for any six-month period by the amount by which the estimate for the previous six-month period exceeded the amount needed to fund the appropriation under section 41A.09, subdivision 1, for that previous six-month period. If at any time during a six-month period in those fiscal years the amount of reduction in the transfer to the highway user tax distribution fund is insufficient to fund the appropriation under section 41A.09, subdivision 1 for that period, the commissioner shall transfer to the general fund from the highway user tax distribution fund an additional amount sufficient to fund the appropriation for that period, but the additional amount so transferred to the general fund in a six-month period may not exceed the amount transferred to the highway user tax distribution fund for that six-month period."

Renumber the sections in sequence

Amend the title accordingly

A roll call was requested and properly seconded.

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

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

There were 42 yeas and 89 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Lynch	Pauly	Swenson
Bertram	Gruenes	Macklin	Pellow	Tjornhom
Blatz	Haukoos	Marsh	Poppenhagen	Tompkins
Boo	Heap	McDonald	Redalen	Valento
Burger	Henry	McPherson	Richter	Waltman
Dempsey	Himle	Miller	Schafer	Weaver
Dille	Johnson, V.	Morrison	Schreiber	
Frederick	Knickerbocker	Omann	Stanius	
Frerichs	Limmer	Onnen	Sviggum	

Those who voted in the negative were:

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

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

S. F. No. 2617, A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; reducing appropriations for the biennium ending June 30, 1991, with certain conditions; providing for the transfer of money in the state treasury; amending Minnesota Statutes 1989 Supplement, section 297B.09, subdivision 1.

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.

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

There were 126 yeas and 4 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Burger	Dempsey	Miller	Richter

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

CALL OF THE HOUSE LIFTED

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

Long moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

Beard and Price were excused for the remainder of today's session.

There being no objection, the order of business reverted to Introduction and First Reading of House Bills.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Bishop introduced:

H. F. No. 2817, A bill for an act relating to legislative enactments; providing for the correction of miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors of a noncontroversial nature; amending Minnesota Statutes 1988, section 343.21, subdivision 10, as amended.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Kinkel introduced:

H. F. No. 2818, A bill for an act relating to waters; prohibiting certain ice blocks upon the surface of frozen waters; proposing coding for new law in Minnesota Statutes, chapter 97C.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Segal introduced:

H. F. No. 2819, A bill for an act relating to health; abortions; preventing abortions for birth control purposes; proposing coding for new law in Minnesota Statutes, chapter 145.

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

Trimble introduced:

H. F. No. 2820, A bill for an act relating to education; providing for aid for courses with independent study when pupils complete the specified hours; making adult high school graduation aid conform to aid for other secondary pupils; amending Minnesota Statutes 1988, section 124.261; Minnesota Statutes 1989 Supplement, section 124.19, subdivision 7.

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

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

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

S. F. No. 2621.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2621, 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 13.46, subdivision 5; 144A.073, by adding a subdivision; 245A.07, subdivision 3; 245A.08, subdivision 3; 245A.16, subdivision 4; 254B.04, subdivision 1; 254B.08; 256.736, subdivision 3a; 256.936, by adding a subdivision; 256B.04, subdivisions 15 and 16; 256B.055, subdivisions 3, 5, 6, and 12; 256B.056, subdivisions 2 and 7, and by adding a subdivision; 256B.0625, subdivisions 4, 5, 9, and by adding subdivisions; 256B.091, subdivisions 4 and 6; 256B.092, subdivisions 1a and 1b, and by adding subdivisions; 256B.15; 256B.19, by adding a subdivision; 256B.431, subdivision 3e, and by adding subdivisions; 256B.48, subdivision 2, and by adding a subdivision; 256B.49, by adding a subdivision; 256B.50, subdivisions 1 and 1b; 256B.501, subdivision 3e, and by adding a subdivision; 256B.69, subdivision 3; 256D.03, subdivision 7; 256E.06, subdivisions 2 and 7; 256H.01, by adding subdivisions; 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, and 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 1988, section 252.27, as amended by Laws 1989, chapter 282, article 2, section 92; Minnesota Statutes 1989 Supplement, sections 144.50, subdivision 6; 245.470, subdivision 1; 245.488, subdivision 1; 245A.02, subdivision 6a; 245A.03, subdivision 2; 245A.04, subdivisions 3, 3a, and 3b; 245A.12; 245A.13; 245A.16, subdivision 1; 252.46, subdivisions 1, 2, 3, 4, and 12; 254B.03, subdivision 4; 256.736, subdivision 16; 256.74, subdivision 1; 256.936, subdivision 1; 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 and 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.091, subdivision 8; 256B.14; 256B.431, subdivision 2b; 256B.495, subdivision 1; 256B.69, subdivision 16; 256D.03, subdivisions 3, 4, and 6; 256D.425, subdivision 3; 256H.03, subdivisions 2, 2a, and 2b; 256H.05, subdivisions 1b, 1c, 2, and 5; 256H.08; 256H.15, subdivisions 1 and 2; 256I.05, subdivisions 1 and 7; 257.57, subdivision 1; 518.551, subdivision 10; 518.611, subdivision 4; and 518.613, subdivision 2; Laws 1988, chapter 689, article 2, section 256; Laws 1989, chapter 282, article 3, section 98, subdivisions 4 and 5; proposing coding for new law in Minnesota Statutes, chapters 60A; 144; 245A; 252; 254A; 256; and 256B; repealing Minnesota Statutes 1988, sections 256.736, subdivision 8; 256B.0625, subdivision 2; 256B.431, subdivisions 3, 3b, 3c, and 3d; and 256B.50, subdivision 2; Minnesota Statutes 1989 Supplement, sections 256.736, subdivision 15; 256B.055, subdivision 8; and 256B.431, subdivisions 3a and 3f.

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, Greenfield moved that the rule therein be suspended and an urgency be declared so that S. F. No. 2621 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Greenfield moved that the Rules of the House be so far suspended that S. F. No. 2621 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 2621 was read for the second time.

Greenfield moved to amend S. F. No. 2621, as follows:

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 avail-		

	1990	1991
	$	$

able 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.

$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, subdi-

	1990	1991
	$	$
vision 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 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		

	1990	1991
	$	$
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.

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

	1990	1991
	$	$

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 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, subdi-

	1990	1991
	$	$

vision 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 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

	1990	1991
	$	$

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 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 fis-

	1990	1991
	$	$

cal 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.

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).

	1990	1991
	$	$

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 commissioner 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

	1990	1991
	$	$

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 Department 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.

	1990	1991
	$	$
Subd. 3. Community Services		
	-0-	357,000

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 com-

missioner 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
*(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.

*Standard Deductions apply- use of tax tables recommended

"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 commissioner 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 operat-

ing 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 ~~11~~ 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 subdivision 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 postsecondary 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 advisory 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 representative, 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."

The motion prevailed and the amendment was adopted.

Clark and Otis moved to amend S. F. No. 2621, as amended, as follows:

Page 66, lines 25 and 26, delete "AND PREFEASIBILITY STUDY"

Page 67, lines 15 and 16, delete "multiunit rental property, or"

Page 67, line 34, delete everything after "development"

Page 67, delete line 35

Page 67, line 36, delete everything before the period

Page 68, line 11, delete "University of Minnesota,"

Page 68, line 28, after "jobs" insert "by ten or more"

Page 69, line 4, delete everything after "decision"

Page 69, delete lines 5 and 6

Page 69, line 7, delete "government services"

Page 70, line 28, delete everything after the period

Page 70, delete lines 29 to 36

Pages 71 and 72, delete section 59 and insert:

"Sec. 59. [REPORT.]

Subdivision 1. [GOVERNMENT UNIT REPORT.] Beginning in 1992, each government unit must submit a report to the commissioner by December 1 of each even-numbered year. The report must summarize all job impact statements completed during the previous two years. 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.

Subd. 2. [COMMISSIONER'S REPORT.] The commissioner must submit a report to the governor and legislature by February 1 of every odd-numbered year that summarizes the results of the individual statements and the monitoring reports required in subdivision 1 submitted to the commissioner in the previous two years. The 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. 60. [APPLICATION.]

Sections 55 to 59 do not apply to development or governmental actions taken before the effective date of this article."

Page 72, lines 16 and 17, delete "a plant closing or mass layoff" and insert "an employee displacement"

Page 72, after line 31, insert:

"Subd. 8. [EMPLOYEE DISPLACEMENT.] "Employee displacement" means (a) the shutdown or termination of operations of an establishment, within three years of the acquisition of the establishment by an employer, where the number of affected employees during any 30 day period is 25 or greater; or (b) a reduction in the work force at an establishment, within three years of the acquisition of the establishment by the employer, that:

(1) is not a result of the shutdown or termination of operations at an establishment; and

(2) results in an employment loss at an establishment during any 30 day period for at least:

(i) 25 percent of the employees at the establishment, including any part time employees, and at least 25 employees, excluding any part time employees; or

(ii) 50 employees, excluding any part time employees."

Page 73, delete lines 9 to 19

Page 73, lines 24 and 25, delete "plant closing or mass layoff" and insert "employee displacement"

Page 73, delete lines 29 to 34

Renumber the subdivisions in sequence

Page 74, lines 9 and 10, delete "a plant closing or mass layoff" and insert "an employee displacement"

Page 74, lines 13 and 27, delete "plant closing or mass layoff" and insert "employee displacement"

Page 74, lines 35 and 36, delete "a plant closing or mass layoff" and insert "an employee displacement"

Page 75, line 3, delete "a plant closing or mass layoff" and insert "an employee displacement"

Page 75, lines 4 and 5, delete "appropriate local unit of government" and insert "commissioner"

Page 75, lines 7 and 8, delete "plant closing or mass layoff" and insert "employee displacement"

Page 75, lines 12 and 13, delete "plant closing or mass layoff" and insert "employee displacement"

Page 75, delete lines 20 to 28 and insert:

"Subd. 2. [FISCAL AGENT.] The commissioner shall act as the fiscal agent for the money and may disburse the money for eligible uses outlined under this section upon the recommendation of the community response committee established under section 268.982. Up to five percent of the money received under subdivision 1 may be used for the administrative costs of the commissioner and the community response committee that are expended for the purposes of sections 268.982 and this section."

Page 75, lines 35 and 36, delete "plant closing or mass layoff" and insert "employee displacement"

Page 76, lines 4 and 5, delete "plant closing or mass layoff" and insert "employee displacement"

Page 76, lines 25 and 26, delete "plant closing or mass layoff" and insert "employee displacement"

Page 77, line 2, delete everything after "to" and insert "affected employees"

Page 77, line 3, delete "layoff"

Page 77, lines 12 and 13, delete "a plant closing or mass layoff" and insert "an employee displacement"

Page 77, line 22, delete "a plant closing" and insert "an employee displacement"

Page 77, line 33, delete "a plant closing or mass layoff" and insert "an employee displacement"

Page 77, line 36, delete "plant closing or mass layoff" and insert "employee displacement"

Page 78, lines 4 and 5, delete "plant closing or mass layoff" and insert "employee displacement"

Page 78, line 13, delete "a plant closing" and insert "an employee displacement"

Pages 78 to 80, delete section 66 and insert:

"Sec. 66. [268.987] [APPEAL OF PAYMENT.]

Subdivision 1. [APPEAL OF PAYMENT.] An employer may appeal to the commissioner 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 employee displacement.

The employer may not engage in an employee displacement until the commissioner has made a decision on an appeal by the employer. The commissioner must make a decision within 30 days of the appeal request by an employer. The 30-day limit may be extended if both the employer and the commissioner agree to the extension. The commissioner may contract with a public accounting firm or others to provide technical assistance. The commissioner, or any of the persons the commissioner 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 making a decision on an appeal.

Subd. 2. [APPEAL GROUNDS.] The employer may appeal under subdivision 1 only if the employer determines that the employee displacement is likely to be due to one or more of the following:

(1) a natural disaster, including flood, damage or destruction due to weather, earthquakes, fire, 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 employee displacement results from the determination that the acquired establishment is not a viable economic operation.

The employer must establish by a preponderance of the evidence that the employee displacement 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, 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 an employee displacement, the employer is not required to appeal 30 days before the employee displacement. The employer may appeal under this subdivision, but is not required to make payments to the commissioner or affected employees until the commissioner makes a decision on the appeal.

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 commissioner must make a decision within 30 days of the appeal request of

the employer. The commissioner may contract with public accounting firms or others for technical assistance in determining the correct amount of the repayment.

Subd. 4. [APPEAL FROM COMMISSIONER'S DECISION.] The employer may appeal the decision of the commissioner under this section as a contested case proceeding under chapter 14. An employer may not engage in an employee displacement until a decision is rendered upon the completion of the contested case proceeding."

Page 80, line 8, delete "a plant closing or mass layoff" and insert "an employee displacement"

Page 80, lines 35 and 36, delete "appeals panel established in section 268.987" and insert "commissioner"

Page 81, line 12, delete "a plant closing or mass layoff" and insert "an employee displacement"

Renumber the sections in sequence

Correct internal cross references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Gruenes and Forsythe moved to amend S. F. No. 2621, as amended, as follows:

Page 5, after line 42, insert:

"Effective for services rendered on or after July 1, 1990, the global rate a medical provider is paid under the medical assistance or general assistance medical care programs for prenatal and delivery services provided to medical assistance and general assistance medical care recipients shall be increased by $150."

Pages 115 to 117, delete section 9 and insert:

"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 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~~ 200 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 extends from the first day of the month in which the child's first birthday occurs to the last day of the month in which the child becomes 18 years old.

(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."

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 Gruenes and Forsythe amendment and the roll was called. There were 50 yeas and 76 nays as follows:

Those who voted in the affirmative were:

Abrams	Dille	Henry	Morrison	Schafer
Bauerly	Forsythe	Hugoson	Olsen, S.	Schreiber
Bennett	Frederick	Johnson, V.	Omann	Seaberg
Bertram	Frerichs	Knickerbocker	Onnen	Stanius
Bishop	Girard	Limmer	Ostrom	Sviggum
Boo	Gruenes	Lynch	Pauly	Swenson
Burger	Gutknecht	Marsh	Pellow	Tompkins
Cooper	Hartle	McDonald	Poppenhagen	Uphus
Dauner	Haukoos	McPherson	Richter	Valento
Dempsey	Heap	Miller	Runbeck	Weaver

Those who voted in the negative were:

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

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

Gruenes; Sviggum; Pellow; Johnson, V.; Boo; Swenson; Richter; Uphus; Henry; Frederick; Frerichs; Tompkins; Forsythe and McDonald moved to amend S. F. No. 2621, as amended, as follows:

Page 4, after line 12, insert:

"Base funding for the 1990-1991 biennium for state residential facilities and state nursing homes is reduced by one and one-half percent."

Page 127, line 23, delete everything after "index" and insert a period

Page 127, delete lines 24 to 26

Page 167, delete section 55

Pages 182 and 183, delete section 69

Page 183, delete section 70

Page 186, after line 25, insert:

"Sec. 72. Minnesota Statutes 1989 Supplement, is amended by adding a subdivision to read:

Subd. 12. [RATES FOR INTERMEDIATE CARE FACILITIES FOR PERSONS WITH MENTAL RETARDATION OR RELATED CONDITIONS; SALARY ADJUSTMENT.] (a) For the rate period January 1, 1991, to September 30, 1992, the commissioner shall add the appropriate salary adjustment per diem determined in clauses (1) to (3) to the total operating cost payment rate of each eligible facility.

(1) For a facility to be eligible for a salary adjustment per diem, the commissioner shall require a written affidavit signed by the provider of each facility by November 1, 1990. The affidavit must include assurances that at least 50 percent of the amount of the increase resulting from the application of the statewide index for the rate year beginning October 1, 1990, and the entire amount determined in this subdivision, shall be used for equitable increases to facility employee salaries, fringe benefits, and payroll taxes of employees included in clause (1) provided that the employees have an annual salary of less than $20,000. Facilities with rates governed by section 252.292 or Minnesota Rules, part 9553.0075, or which are newly constructed or newly established with payment rates effective on or after May 1, 1990, are not eligible for payments under this subdivision. The commissioner shall determine the salary adjustment per diem as in clauses (2) and (3) by:

(2) multiplying each eligible facility's total salaries, payroll taxes, and fringe benefits allowed after desk audit in each operating cost category, for the reporting year ending December 31, 1989, except for management fees and administrator and central office salaries and the related payroll taxes and fringe benefits, by three percent; and

(3) then dividing the amount in clause (2) by the facility's resident days.

The commissioner shall indicate the percentage increase by which each eligible facility's salaries, payroll taxes, and fringe benefits, as specified in clauses (1) and (2), is required to increase for the reporting year ending December 31, 1991, over these same cost items for the preceding reporting year, on the nursing home's rate notice for the period beginning January 1, 1991.

(b) By December 1, 1992, the commissioner shall submit a report to the legislative commission on long-term care on the extent to which eligible facilities complied with paragraph (a). The commissioner may require eligible facilities to submit additional informa-

tion and supporting documentation as necessary to analyze facility expenditures under paragraph (a).

The commissioner, through desk or field audits, shall retroactively recover amounts not spent or inappropriately spent. The per diem amount of recovery, if any, shall be equal to the negative difference between an eligible facility's allowed salaries, payroll taxes, and fringe benefits, as specified in clauses (1) and (2) for the reporting year ending December 31, 1991, and its reporting year ending December 31, 1990, allowed costs for these same items multiplied by the percentage increase indicated by the commissioner on the eligible facility's January 1, 1991 rate notice, and then dividing the difference by the facility's actual resident days for the reporting year ending December 31, 1991. This subdivision does not apply to state operated services."

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 Gruenes et al amendment and the roll was called. There were 58 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Knickerbocker	Omann	Seaberg
Bennett	Frerichs	Limmer	Onnen	Stanius
Bertram	Girard	Lynch	Orenstein	Sviggum
Bishop	Gruenes	Macklin	Pauly	Swenson
Blatz	Gutknecht	Marsh	Pellow	Tjornhom
Boo	Hartle	McDonald	Pelowski	Tompkins
Burger	Haukoos	McPherson	Poppenhagen	Uphus
Cooper	Heap	Miller	Redalen	Valento
Dauner	Henry	Morrison	Richter	Waltman
Dempsey	Hugoson	Nelson, C.	Runbeck	Weaver
Dille	Johnson, V.	Olsen, S.	Schafer	
Forsythe	Kalis	Olson, K.	Schreiber	

Those who voted in the negative were:

Anderson, G.	Clark	Jefferson	Long	O'Connor
Anderson, R.	Dawkins	Johnson, A.	McEachern	Ogren
Battaglia	Dorn	Johnson, R.	McGuire	Olson, E.
Bauerly	Greenfield	Kahn	McLaughlin	Osthoff
Begich	Hasskamp	Kelso	Milbert	Ostrom
Brown	Hausman	Kinkel	Munger	Otis
Carlson, D.	Jacobs	Krueger	Murphy	Ozment
Carlson, L.	Janezich	Lasley	Nelson, K.	Pappas
Carruthers	Jaros	Lieder	Neuenschwander	Peterson

Pugh	Rodosovich	Solberg	Wagenius	Spk. Vanasek
Quinn	Sarna	Steensma	Welle	
Reding	Scheid	Trimble	Wenzel	
Rest	Segal	Tunheim	Williams	
Rice	Skoglund	Vellenga	Winter	

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

Gutknecht; Abrams; Omann; Hugoson; Lynch; Carlson, D.; Girard; Weaver; Waltman; Tompkins; Swenson; Frerichs; Johnson, V.; McPherson; McDonald; Haukoos; Schafer; Pauly; Stanius and Bishop moved to amend S. F. No. 2621, as amended, as follows:

Page 5, after line 20, insert:

"$3,000,000 of the fiscal year 1991 appropriation for the implementation and development of the MAXIS computer system shall be used for increased payments to physicians for office visits and preventive medicine under subdivision 7, and the increase in the global rate for prenatal and delivery services under subdivision 7."

Page 5, after line 42, insert:

"Effective for services rendered on or after July 1, 1990, payments to physicians for office visits and preventive medicine under medical assistance, general assistance medical care, and the children's health plan shall be increased by 15 percent.

Effective for services rendered on or after July 1, 1990, the global rate a medical provider is paid under the medical assistance or general assistance medical care programs for prenatal and delivery services provided to medical assistance and general assistance medical care recipients shall be increased by $150."

The question was taken on the Gutknecht et al amendment and the roll was called. There were 58 yeas and 64 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

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

Kinkel was excused for the remainder of today's session.

Macklin; Limmer; Hartle; Stanius; Johnson, V.; Tjornhom; McDonald; Richter and Pellow moved to amend S. F. No. 2621, as amended, as follows:

Page 246, after line 1, insert:

"Sec. 30. Minnesota Statutes 1988, section 256D.06, is amended by adding a subdivision to read:

Subd. 1d. [GENERAL ASSISTANCE PAYMENTS FOR NEW RESIDENTS.] Notwithstanding any other provisions of sections 256D.01 to 256D.22, eligible assistance units without minor children, who have been residing in the state less than six months, shall be granted general assistance payments in an amount that, when added to the nonexempt income actually available to the assistance unit, will equal the amount of assistance that the unit received or was eligible to receive in the last state in which the unit resided, up to a maximum amount. The maximum amount shall be the assistance that would be paid to the unit under subdivision 1. The amount of assistance must be no less than 60 percent of the basic Minnesota general assistance grant level. Nonexempt income is the income considered available under Minnesota Rules, parts 9500.1200 to 9500.1270."

Page 275, line 10, delete "30" and insert "31" and delete "78" and insert "79"

Renumber sections

Amend the title

A roll call was requested and properly seconded.

The question was taken on the Macklin et al amendment and the roll was called. There were 108 yeas and 17 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Clark	Jefferson	Orenstein	Segal	Spk. Vanasek
Dawkins	Kahn	Pappas	Trimble	
Greenfield	McLaughlin	Rice	Vellenga	
Jaros	Murphy	Rodosovich	Williams	

The motion prevailed and the amendment was adopted.

Gruenes, Forsythe and Frerichs moved to amend S. F. No. 2621, as amended, as follows:

Page 6, after line 57, insert:

"The total reduction of $5,275,000 associated with the inflation index changes or limitations for inpatient hospitals, nursing homes, and intermediate care facilities for persons with mental retardation and related conditions shall be distributed among state residential facilities, inpatient hospitals, nursing homes, and intermediate care facilities for persons with mental retardation and related conditions, in proportion to each facility group's share of the total estimated base funding and medical assistance reimbursement received by these groups of facilities for the 1990-1991 biennium."

A roll call was requested and properly seconded.

The question was taken on the Gruenes et al amendment and the roll was called. There were 45 yeas and 77 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Girard	Limmer	Onnen	Stanius
Blatz	Gruenes	Lynch	Pauly	Sviggum
Boo	Gutknecht	Macklin	Pelowski	Swenson
Burger	Hasskamp	Marsh	Redalen	Tjornhom
Dempsey	Haukoos	McPherson	Richter	Tompkins
Dorn	Henry	Milbert	Schafer	Uphus
Forsythe	Himle	Miller	Schreiber	Valento
Frederick	Hugoson	Morrison	Seaberg	Waltman
Frerichs	Johnson, V.	Omann	Segal	Wenzel

Those who voted in the negative were:

Abrams	Greenfield	Long	Otis	Skoglund
Anderson, R.	Hartle	McGuire	Ozment	Solberg
Battaglia	Hausman	McLaughlin	Pappas	Sparby
Bauerly	Jacobs	Munger	Pellow	Steensma
Begich	Janezich	Murphy	Peterson	Trimble
Bennett	Jaros	Nelson, C.	Pugh	Tunheim
Bertram	Jefferson	Nelson, K.	Quinn	Vellenga
Brown	Jennings	Neuenschwander	Reding	Wagenius
Carlson, D.	Johnson, A.	O'Connor	Rest	Weaver
Carlson, L.	Johnson, R.	Ogren	Rice	Welle
Carruthers	Kahn	Olsen, S.	Rodosovich	Williams
Clark	Kalis	Olson, E.	Rukavina	Winter
Cooper	Kelso	Olson, K.	Runbeck	Spk. Vanasek
Dauner	Krueger	Orenstein	Sarna	
Dawkins	Lasley	Osthoff	Scheid	
Dille	Lieder	Ostrom	Simoneau	

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

Sviggum moved to amend S. F. No. 2621, as amended, as follows:

Page 5, after line 20, insert:

"$3,000,000 of the fiscal year 1991 appropriation for the implementation and development of the MAXIS computer system shall be used for increased reimbursement to SILS, mental health residential programs, day training and habilitation services, waivered services, and intermediate care facilities for persons with mental retardation and related conditions."

Page 115, after line 26, insert:

"Sec. 9. Minnesota Statutes 1988, section 252.275, is amended by adding a subdivision to read:

Subd. 9. [SILS; SALARY ADJUSTMENTS; RATES.] In establishing, operating, or contracting for the provision of semi-independent living services and in securing the commissioner's approval of a county application and budget in subdivision 2, a county board must contract at rates to reflect increased salaries of direct care staff whose annual salary is less than $20,000, by multiplying the total salaries, payroll taxes and fringe benefits related to direct care staff in fiscal year 1990, by an additional three percent in fiscal year 1991 and then dividing the resulting amount by contracted total number of service units. All increased revenue produced by this calculation must be equitably used by the license holder for salary and related costs of all personnel in direct care positions which have an annual salary of less than $20,000. The license holder shall report to the county and department on forms prescribed by the commissioner to determine how, and to what extent, revenues were expended in accordance with this section. The commissioner, through desk or field audit, shall retroactively recover amounts not spent or inappropriately spent. This section does not apply to state operated services.

Sec. 10. [252.286] [MENTAL HEALTH RESIDENTIAL PROGRAMS.]

In establishing, operating, or contracting for the provision of programs licensed under Minnesota Rules, parts 9520.0500 to 9520.0690, a county board shall contract at rates to reflect increased wages figured by multiplying the total wages, payroll taxes, and fringe benefits for direct care staff with annual salaries of less than $20,000 times three percent for fiscal year 1991. All increased revenue received by programs as a result of this calculation must be used for wages and related costs of direct care staff with annual salaries of less than $20,000. The commissioner, through desk or field audits, shall retroactively recover amounts not spent or inappropriately spent.

Sec. 11. Minnesota Statutes 1988, section 252.46, is amended by adding a subdivision to read:

Subd. 15. [DAY TRAINING AND HABILITATION; SALARY ADJUSTMENTS; RATES.] For the 12 month contract period beginning January 1, 1991, the county must recommend payment rates for day training and habilitation services for approval by the commissioner which are adjusted in accordance with paragraphs (a) and (b). In order to be eligible for the adjustment in payment rates the county shall require a written affidavit signed by the vendor. The affidavit must include assurances that the entire amount paid under this provision shall be used for equitable increases for employee salaries, payroll taxes, and fringe benefits included in paragraph (a) provided that the employees have an annual salary of less than $20,000 and their job description requires that 50 percent or more of their paid time be spent in direct service delivery as

defined in Minnesota Rules, parts 9525.1500, subdivision 12. That portion of the payment rate increases attributable to compliance with this part and recommended for approval to the commissioner under section 252.46, subdivision 5, are exempt from the limits in section 252.46, subdivision 3. The county shall determine the salary adjustment on payment rates by:

(a) multiplying each vendor's eligible salary expenses, payroll taxes, and fringe benefits for calendar year 1990 by three percent in addition to the annual cost of living increase recommended under section 252.46, subdivision 3; and

(b) then dividing the amount in paragraph (a) by the total number of service units projected to be provided for the contract period.

Counties that contract for salary increases under this section shall monitor expenditures in accordance with Minnesota Statutes, section 252.44 and shall report the actual salary expenses and annual salary increases of vendors to the department on forms prescribed by the commissioner. The commissioner, through desk or field audits, shall retroactively recover amounts not spent or inappropriately spent. This subdivision does not apply to state operated services."

Page 183, after line 24, insert:

"Sec. 71. Minnesota Statutes 1988, section 256B.501, is amended by adding a subdivision to read:

Subd. 4a. [WAIVERED SERVICES; SALARY ADJUSTMENTS; RATES.] In establishing, operating, or contracting for the provision of residential habilitation services covered under the home and community based waiver, a county board must contract with licensed residential habilitation vendors at rates to reflect increased salaries of direct care staff whose annual salary is less than $20,000 by multiplying the total salaries, payroll taxes and fringe benefits related to direct care staff in fiscal year 1990 by an additional three percent in fiscal year 1991 and then dividing the resulting amount by the contracted total number of service units. All increased revenue produced by this calculation must be equitably used by the license holder for salary and related costs of all personnel in direct care positions which have an annual salary of less than $20,000. The license holder shall report to the county and department on forms prescribed by the commissioner to determine how, and to what extent, revenues were expended in accordance with this section. The commissioner, through desk or field audits, shall retroactively recover amounts not spent or inappropriately spent. This section does not apply to state operated services."

Page 186, after line 25, insert:

"Sec. 72. Minnesota Statutes 1988, Section 256B.501, is amended by adding a subdivision to read:

Subd. 12. [RATES FOR INTERMEDIATE CARE FACILITIES FOR PERSONS WITH MENTAL RETARDATION OR RELATED CONDITIONS; SALARY ADJUSTMENT.] (a) For the rate period January 1, 1991, to September 30, 1992, the commissioner shall add the appropriate salary adjustment per diem determined in clauses (1) to (3) to the total operating cost payment rate of each eligible facility.

(1) For a facility to be eligible for a salary adjustment per diem, the commissioner shall require a written affidavit signed by the provider of each facility by November 1, 1990. The affidavit must include assurances that at least 50 percent of the amount of the increase resulting from the application of the statewide index for the rate year beginning October 1, 1990, and the entire amount determined in this subdivision, shall be used for equitable increases to facility employee salaries, fringe benefits, and payroll taxes of employees included in clause (1) provided that the employees have an annual salary of less than $20,000. Facilities with rates governed by section 252.292 or Minnesota Rules, part 9553.0075, or which are newly constructed or newly established with payment rates effective on or after May 1, 1990, are not eligible for payments under this subdivision. The commissioner shall determine the salary adjustment per diem as in clauses (2) and (3) by:

(2) multiplying each eligible facility's total salaries, payroll taxes, and fringe benefits allowed after desk audit in each operating cost category, for the reporting year ending December 31, 1989, except for management fees and administrator and central office salaries and the related payroll taxes and fringe benefits, by three percent; and

(3) then dividing the amount in clause (2) by the facility's resident days.

The commissioner shall indicate the percentage increase by which each eligible facility's salaries, payroll taxes, and fringe benefits, as specified in clauses (1) and (2), is required to increase for the reporting year ending December 31, 1991, over these same cost items for the preceding reporting year, on the nursing home's rate notice for the period beginning January 1, 1991.

(b) By December 1, 1992, the commissioner shall submit a report to the legislative commission on long-term care on the extent to which eligible facilities complied with paragraph (a). The commissioner may require eligible facilities to submit additional information and supporting documentation as necessary to analyze facility expenditures under paragraph (a).

The commissioner, through desk or field audits, shall retroactively recover amounts not spent or inappropriately spent. The per diem amount of recovery, if any, shall be equal to the negative difference between an eligible facility's allowed salaries, payroll taxes, and fringe benefits, as specified in clauses (1) and (2) for the reporting year ending December 31, 1991, and its reporting year ending December 31, 1990, allowed costs for these same items multiplied by the percentage increase indicated by the commissioner on the eligible facility's January 1, 1991 rate notice, and then dividing the difference by the facility's actual resident days for the reporting year ending December 31, 1991. This subdivision does not apply to state operated services."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The question was taken on the Sviggum amendment and the roll was called. There were 116 yeas and 4 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Greenfield	Murphy	Rodosovich	Simoneau

The motion prevailed and the amendment was adopted.

Onnen, Tompkins, Runbeck, Redalen, Waltman, Frerichs, Forsythe, Schafer and Hartle moved to amend S. F. No. 2621, as amended, as follows:

Page 4, after line 12, insert:

"Base funding for the 1990-1991 biennium for state residential facilities and state nursing homes is reduced by one-half percent."

Page 171, delete lines 1 to 13, and insert:

"(d) For rate years beginning on July 1, 1990, through the rate year beginning July 1, 1992, a Group B nursing home shall continue to receive a property-related per diem equal to its allowable historical property-related per diem (the property-related payment rate in effect on July 1, 1989)."

Page 171, line 17, delete everything after "section" and insert a period

Page 171, delete lines 18 to 20

Pages 198 and 199, delete section 83

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 et al amendment and the roll was called. There were 58 yeas and 65 nays as follows:

Those who voted in the affirmative were:

Abrams	Dorn	Haukoos	Knickerbocker	Miller
Bauerly	Forsythe	Hausman	Limmer	Neuenschwander
Bennett	Frederick	Heap	Lynch	Olsen, S.
Blatz	Frerichs	Henry	Macklin	Omann
Boo	Girard	Himle	Marsh	Onnen
Burger	Gruenes	Hugoson	McEachern	Orenstein
Dempsey	Gutknecht	Johnson, V.	McGuire	Pauly
Dille	Hartle	Kelso	McPherson	Pellow

Pelowski	Runbeck	Stanius	Tompkins	Weaver
Poppenhagen	Schafer	Sviggum	Uphus	Wenzel
Redalen	Schreiber	Swenson	Valento	
Richter	Seaberg	Tjornhom	Waltman	

Those who voted in the negative were:

Anderson, G.	Greenfield	McLaughlin	Ozment	Simoneau
Anderson, R.	Hasskamp	Milbert	Pappas	Skoglund
Battaglia	Jacobs	Morrison	Peterson	Solberg
Begich	Jaros	Munger	Pugh	Sparby
Bertram	Jefferson	Murphy	Quinn	Steensma
Bishop	Jennings	Nelson, C.	Reding	Trimble
Carlson, D.	Johnson, A.	Nelson, K.	Rest	Tunheim
Carlson, L.	Kahn	O'Connor	Rice	Vellenga
Carruthers	Kalis	Ogren	Rodosovich	Wagenius
Clark	Krueger	Olson, E.	Rukavina	Welle
Cooper	Lasley	Olson, K.	Sarna	Williams
Dauner	Lieder	Ostrom	Scheid	Winter
Dawkins	Long	Otis	Segal	Spk. Vanasek

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

Wenzel offered an amendment to S. F. No. 2621, as amended.

POINT OF ORDER

Simoneau raised a point of order pursuant to rule 3.10 that the Wenzel amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order.

S. F. No. 2621, 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 13.46, subdivision 5; 144A.073, by adding a subdivision; 245A.07, subdivision 3; 245A.08, subdivision 3; 245A.16, subdivision 4; 254B.04, subdivision 1; 254B.08; 256.736, subdivision 3a; 256.936, by adding a subdivision; 256B.04, subdivisions 15 and 16; 256B.055, subdivisions 3, 5, 6, and 12; 256B.056, subdivisions 2 and 7, and by adding a subdivision; 256B.0625, subdivisions 4, 5, 9, and by adding subdivisions; 256B.091, subdivisions 4 and 6; 256B.092, subdivisions 1a and 1b, and by adding subdivisions; 256B.15; 256B.19, by adding a subdivision; 256B.431, subdivision 3e, and by adding subdivisions; 256B.48, subdivision 2, and by adding a subdivision; 256B.49, by adding a subdivision; 256B.50, subdivisions 1 and 1b; 256B.501, subdivision 3e, and by adding a subdivision; 256B.69, subdivision 3; 256D.03, subdivision 7; 256E.06, subdivisions 2 and 7; 256H.01, by adding subdivisions; 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, and 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 1988, section 252.27, as amended

by Laws 1989, chapter 282, article 2, section 92; Minnesota Statutes 1989 Supplement, sections 144.50, subdivision 6; 245.470, subdivision 1; 245.488, subdivision 1; 245A.02, subdivision 6a; 245A.03, subdivision 2; 245A.04, subdivisions 3, 3a, and 3b; 245A.12; 245A.13; 245A.16, subdivision 1; 252.46, subdivisions 1, 2, 3, 4, and 12; 254B.03, subdivision 4; 256.736, subdivision 16; 256.74, subdivision 1; 256.936, subdivision 1; 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 and 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.091, subdivision 8; 256B.14; 256B.431, subdivision 2b; 256B.495, subdivision 1; 256B.69, subdivision 16; 256D.03, subdivisions 3, 4, and 6; 256D.425, subdivision 3; 256H.03, subdivisions 2, 2a, and 2b; 256H.05, subdivisions 1b, 1c, 2, and 5; 256H.08; 256H.15, subdivisions 1 and 2; 256I.05, subdivisions 1 and 7; 257.57, subdivision 1; 518.551, subdivision 10; 518.611, subdivision 4; and 518.613, subdivision 2; Laws 1988, chapter 689, article 2, section 256; Laws 1989, chapter 282, article 3, section 98, subdivisions 4 and 5; proposing coding for new law in Minnesota Statutes, chapters 60A; 144; 245A; 252; 254A; 256; and 256B; repealing Minnesota Statutes 1988, sections 256.736, subdivision 8; 256B.0625, subdivision 2; 256B.431, subdivisions 3, 3b, 3c, and 3d; and 256B.50, subdivision 2; Minnesota Statutes 1989 Supplement, sections 256.736, subdivision 15; 256B.055, subdivision 8; and 256B.431, subdivisions 3a and 3f.

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 74 yeas and 52 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Abrams	Girard	Limmer	Onnen	Sviggum
Bennett	Gruenes	Lynch	Ozment	Swenson
Bishop	Gutknecht	Macklin	Pauly	Tjornhom
Blatz	Hartle	Marsh	Pellow	Tompkins
Boo	Haukoos	McDonald	Poppenhagen	Uphus
Burger	Heap	McEachern	Richter	Valento
Carlson, D.	Henry	McPherson	Runbeck	Waltman
Dempsey	Himle	Miller	Schafer	Weaver
Dille	Hugoson	Morrison	Schreiber	
Forsythe	Johnson, V.	Olsen, S.	Seaberg	
Frerichs	Knickerbocker	Omann	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, Friday, March 30, 1990:

H. F. Nos. 2646 and 2419.

SPECIAL ORDERS

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

GENERAL ORDERS

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

MOTIONS AND RESOLUTIONS

Skoglund moved that the name of Nelson, C., be added as an author on H. F. No. 1985. The motion prevailed.

Pugh moved that the name of Blatz be added as an author on H. F. No. 2365. The motion prevailed.

Kahn moved that the following statement be printed in the permanent Journal of the House:

"It was my intention to vote in the affirmative on Friday, March 30, 1990, when the final vote was taken on the Stanius et al

amendment to S. F. No. 2617. In error I pressed the page button rather than the yea button." The motion prevailed.

Hasskamp moved that the following statement be printed in the permanent Journal of the House:

"It was my intention to vote in the affirmative on Friday, March 30, 1990, when the vote was taken on the Stanius et al amendment to S. F. No. 2617. In error I pressed the nay button rather than the yea button." The motion prevailed.

Wenzel moved that the following statement be printed in the permanent Journal of the House:

"It was my intention on Thursday, March 29, 1990, to vote in the affirmative when the vote was taken on the Morrison amendment to S. F. No. 2618." The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2618:

Carlson, L.; Dorn; Price; Orenstein and Morrison.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 12:00 noon, Monday, April 2, 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, Monday, April 2, 1990.

EDWARD A. BURDICK, Chief Clerk, House of Representatives