

# **FORTY-SEVENTH DAY**

St. Paul, Minnesota, Thursday, May 3, 1979

The Senate met at 10:00 o'clock a.m. and was called to order by the President.

## **CALL OF THE SENATE**

Mr. Coleman imposed a call of the Senate. The following Senators answered to their names:

Anderson	Gearty	Knutson	Purfeerst	Stumpf
Bang	Gunderson	Luther	Rued	Tennessen
Benedict	Hanson	Menning	Schaaf	Ueland, A.
Bernhagen	Hughes	Merriam	Schmitz	Ulland, J.
Coleman	Humphrey	Nelson	Setzepfandt	Vega
Davies	Jensen	Nichols	Sieloff	Wegener
Dieterich	Johnson	Olhoft	Sikorski	Willet
Dunn	Keefe, S.	Perpich	Spear	
Engler	Kirchner	Peterson	Stokowski	
Frederick	Knaak	Pillsbury	Strand	

The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Thomas J. Pingatore.

The roll was called, and the following Senators answered to their names:

Anderson	Gearty	Knutson	Penny	Solon
Ashbach	Gunderson	Laufenburger	Perpich	Spear
Bang	Hanson	Lessard	Peterson	Staples
Benedict	Hughes	Luther	Pillsbury	Stokowski
Bernhagen	Humphrey	McCutcheon	Purfeerst	Strand
Brataas	Jensen	Menning	Renneke	Stumpf
Chenoweth	Johnson	Merriam	Rued	Tennessen
Coleman	Keefe, J.	Moe	Schaaf	Ueland, A.
Davies	Keefe, S.	Nelson	Schmitz	Ulland, J.
Dieterich	Kirchner	Nichols	Setzepfandt	Vega
Dunn	Kleinbaum	Ogdahl	Sieloff	Wegener
Engler	Knaak	Olhoft	Sikorski	Willet
Frederick	Knoll	Olson	Sillers	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

## **MEMBERS EXCUSED**

Messrs. Chmielewski and Schrom were excused from the Session of today.

**MESSAGES FROM THE HOUSE**

**Mr. President:**

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S. F. No. 450: A bill for an act relating to probate; clarifying the form for a self-proved will; amending Minnesota Statutes 1978, Section 524.2-504.

Senate File No. 450 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 2, 1979

Mr. Sieloff moved that S. F. No. 450 be laid on the table. The motion prevailed.

**Mr. President:**

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S. F. No. 779: A bill for an act relating to commerce; regulating building movers; providing for penalties; amending Minnesota Statutes 1978, Chapter 221, by adding a section.

Senate File No. 779 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 2, 1979

Mr. Schaaf moved that S. F. No. 779 be laid on the table. The motion prevailed.

**Mr. President:**

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S. F. No. 876: A bill for an act relating to local government; permitting units in Fillmore County to spend money to assist blood collection.

Senate File No. 876 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 2, 1979

Mr. Gunderson moved that S. F. No. 876 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H. F. Nos. 859, 1473 and 944.

Edward A. Burdick, Chief Clerk, House of Representatives  
Transmitted May 2, 1979

#### FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H. F. No. 859: A bill for an act relating to banks and other financial institutions; regulating open end loan accounts; removing certain restrictions; providing for computation of finance charges; requiring banks which offer a certain credit card program to offer another program with a specified finance charge; amending Minnesota Statutes 1978, Section 48.185, Subdivisions 2, 3 and by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 913 now on Special Orders.

H. F. No. 1473: A bill for an act relating to fiduciaries; providing for replacement of trustees; establishing guidelines for compensation of personal representatives; providing that cost considerations are a factor in the removal of trustees and personal representatives; amending Minnesota Statutes 1978, Sections 501.43; 524.3-611; and 524.3-719.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 721 now on Special Orders.

H. F. No. 944: A bill for an act relating to the state civil service; clarifying language and statutory references; providing for modern methods of personnel data record keeping; clarifying the salary setting authority of the attorney general, the chief hearing examiner and the higher education systems; adding and deleting certain job categories in the unclassified civil service; clarifying the rights of classified employees appointed to newly created unclassified positions; providing managerial benefits to department heads and deputies; modifying the expanded certification procedures; modifying promotional procedures; clarifying the appointment process following reallocation of positions; modifying the emergency and temporary appointment provisions; simplifying the time off in emergencies procedure; coordinating human resource planning with biennial budget preparation; authorizing the commissioner to promulgate rules on special expenses and permitting the commissioner of finance to delegate enforcement of expenses to appointing authorities; clarifying continuance of eligibility for health and life insurance benefits for state employees; remov-

ing eligibility for health and life insurance benefits from student workers and interns; excluding hearing examiners from appropriate units; removing the governor from approving modifications in social security agreements with the secretary of health, education and welfare; transferring certain duties and personnel involved in the sale, storage, and transportation of certain agricultural products from the department of public service to the department of agriculture; amending Minnesota Statutes 1978, Sections 15A.13; 43.01, Subdivisions 10 and 11, and by adding a subdivision; 43.05, Subdivision 2; 43.055; 43.062, Subdivision 4; 43.064; 43.09, Subdivisions 2 and 2a; 43.12, Subdivision 15; 43.127, Subdivision 6; 43.15, Subdivision 5; 43.17, Subdivisions 3 and 4a; 43.19; 43.20, Subdivisions 3 and 5; 43.227; 43.32, Subdivision 4; 43.327, Subdivisions 2 and 3; 43.44, Subdivision 2; 43.47, Subdivision 2; 179.74, Subdivision 4; 223.02; 229.01, Subdivision 2; 229.07; 232.01, Subdivision 1; 233.01, Subdivision 1; 233.03; 234.02; 234.10; 235.01; 236.01, Subdivision 5; 355.12; 355.17; 355.207; 355.23, Subdivision 3; 355.286; 355.295; 355.308; 355.45; 355.60; and 355.76.

Referred to the Committee on Governmental Operations.

#### REPORTS OF COMMITTEES

Mr. Coleman moved that the Committee Reports at the Desk be now adopted, with the exception of the report on Senate Concurrent Resolution No. 10, and reports pertaining to appointments. The motion prevailed.

Mr. Hughes from the Committee on Education, to which was referred

H. F. No. 936: A bill for an act relating to education; expanding a definition of "American Indian child"; amending Minnesota Statutes 1978, Section 126.47, Subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 12, insert:

"Sec. 2. Minnesota Statutes 1978, Chapter 126, is amended by adding a section to read:

[126.531] [ADVISORY TASK FORCE ON AMERICAN INDIAN LANGUAGE AND CULTURE EDUCATION PROGRAMS.] *Subdivision 1. The Minnesota Indian Affairs intertribal board shall nominate fifteen persons for membership to the American Indian language and culture education advisory task force. The state board of education shall appoint nine persons from those so nominated to constitute the task force. Members shall include representatives of community groups, parents of children eligible to be served by the programs, American Indian administrators and teachers, persons experienced in the training of teachers for American Indian language and culture education programs, persons involved in programs for American Indian children in nonsectarian*

*nonpublic, urban, community, tribal or alternative schools and persons knowledgeable in the field of American Indian language and culture education. Members shall be appointed so as to be representative of significant segments of the population of American Indians.*

*Subd. 2. [DUTIES.] The advisory task force on American Indian language and culture education programs shall advise the state board in the administration of its duties under sections 126.45 to 126.55.*

*Subd. 3. The advisory task force shall expire and the terms, compensation and removal of members shall be as provided for in section 15.059, subdivision 6.*

*Sec. 3. Minnesota Statutes 1978, Section 126.53, is repealed.*

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "providing for membership on the American Indian language and culture education advisory task force;"

Page 1, line 4, delete "Sections" and insert "Section"

Page 1, line 4, after "Subdivision 2" insert "; and Chapter 126, by adding a section; repealing Minnesota Statutes 1978, Section 126.53"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Perpich from the Committee on Health, Welfare and Corrections, to which was referred

S. F. No. 651: A bill for an act relating to social development; requiring the commissioner of public welfare and each board of county commissioners to develop a biennial plan relating to the identification, reduction, remedy, and prevention of public social problems; requiring public participation in state and county plan development; authorizing the appointment of advisory councils; setting forth a formula for block grants to be allocated to the counties; establishing a temporary study commission; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 15, delete "9" and insert "14"

Page 1, line 16, delete "development" and insert "services"

Page 2, line 3, delete "DEVELOPMENT" and insert "SERVICES"

Page 2, lines 4 and 7, delete "development" and insert "services"

Page 2, line 19, after the semicolon insert "and"

Page 2, line 23, delete "DEVELOPMENT" and insert "SERVICES"

Page 2, line 29, delete "9" and insert "14"

Page 2, lines 31 to 33, delete subdivision 2 and insert:

"Subd. 2. "Social services programs" means programs for planning and delivery of community social services, developed in response to human needs in accordance with the policy stated in section 2."

Page 3, delete subdivision 3 and insert:

"Subd. 3. "Community social services" means services included in the comprehensive annual services plan published by the commissioner of public welfare pursuant to Title XX of the Social Security Act, 42 U.S.C. 1397 et seq., and social services authorized by Minnesota Statutes, Sections 245.61 to 245.691, 245.83 to 245.87, 252.21 to 252.27, Subdivision 1, 254A.07, 254A.08, 254A.12, 254A.14, 260.251, Subdivision 1a, 261.27 and 393.07, Subdivision 1. Community social services do not include public assistance programs known as aid to families with dependent children, Minnesota supplemental aid, medical assistance, general assistance and general assistance medical care, the maintenance expenses of care for children as defined by rules promulgated by the commissioner of public welfare and authorized by Minnesota Statutes, Sections 252.27, Subdivision 1, 260.251, Subdivisions 1 and 1a, 261.27 and 393.07, Subdivisions 1 and 1a, and community health services authorized by Minnesota Statutes, Sections 145.911 to 145.922."

Page 3, lines 19 and 20, delete "the department of"

Page 3, line 21, before "plan" insert "social services"

Page 3, lines 22 and 24, delete "development" and insert "services"

Page 3, line 25, delete "a" and insert "the"

Page 3, line 26, before the period, insert "in each county"

Page 3, line 28, delete "Minnesota Statutes, Section" and insert "sections 402.01 and"

Page 3, line 28, before the period, insert ", Laws 1974, Chapter 293, or Laws 1976, Chapter 340"

Pages 3 and 4, delete subdivision 10 and insert:

"Subd. 10. "AFDC" means aid to families with dependent children provided pursuant to Title IV-A of the Social Security Act, 42 U.S.C. 601 et seq.

Subd. 11. "Medical assistance" means assistance provided pursuant to sections 256B.01 to 256B.40.

Subd. 12. "General assistance" means assistance provided pursuant to sections 256D.01 to 256D.22."

Renumber the subdivisions in sequence

Page 4, lines 2, 6, 14, and 17, delete "development" and insert "services"

Page 4, line 3, delete "10" and insert "12"

Page 4, line 4, delete "DEVELOPMENT" and insert "SERVICES"

Page 4, line 20, delete "1396i" and insert "1396k"

Page 4, line 29, delete "Adopted"

Page 4, line 30, after "plans" insert "adopted"

Page 5, line 2, delete "coordinating" and insert "coordination"

Page 5, lines 6, 12 and 18, delete "development" and insert "services"

Page 5, line 8, delete "to be addressed related to" and insert "that the programs address in relation to the goals stated in"

Page 5, line 9, delete "to be achieved by" and insert "of"

Page 5, line 11, before "for" insert "at the state level"

Page 5, line 12, delete "at the state level"

Page 5, line 23, after the first comma insert "stating"

Page 6, line 3, delete "formula" and insert "formulas"

Page 6, line 3, delete "section 7" and insert "sections 10 and 11"

Page 6, lines 5 and 13, delete "development" and insert "services"

Page 6, line 18, delete "act on" and insert "approve or disapprove"

Page 6, lines 21 and 24, delete "9" and insert "14"

Page 6, line 31, delete the first "the" and insert "a"

Page 6, line 31, delete "7" and insert "10"

Page 6, line 31, after "until" insert "he has approved"

Page 6, line 31, after "plan" insert a period

Page 6, delete line 32 and insert "A county may appeal the commissioner's decision pursuant to section 10, subdivision 11."

Page 7, lines 6, 13, 16, 18, 20, and 25, delete "development" and insert "services"

Page 7, lines 6 and 7, delete "such as" and insert "and including"

Page 7, line 9, before "rules" insert "department"

Page 7, line 10, delete "9" and insert "14"

Page 7, line 13, delete "of"

Page 7, line 13, delete "within" and insert "in"

Page 7, after line 19, insert:

"(f) Provide forms and definitions for reports by the counties on the effectiveness of community social services programs, including

numbers and types of recipients of each service. The commissioner shall compile the counties' reports into an annual report to the governor and the legislature."

Page 7, line 20, delete "federal" and insert "Title XX funds"

Page 7, line 21, delete "funds" and insert "aids"

Page 7, lines 22 and 30, delete "9" and insert "14"

Reletter the clauses in sequence

Page 7, delete lines 31 to 33

Page 8, delete lines 1 to 33

Page 9, delete lines 1 to 33

Page 10, delete lines 1 to 4 and insert:

"Sec. 6. [256E.06] [DUTIES OF COUNTY BOARDS.] Subdivision 1. The county board of each county shall be responsible for administration, planning and funding of community social services programs. Each county board shall singly or in combination with other county boards as provided in section 8 prepare a biennial social services plan for development and coordination of community social services programs. The county board or boards shall establish a mechanism to ensure public participation in developing the plan. Upon final approval of the plan by the county board or boards, the plan shall be submitted to the commissioner. The county board shall distribute funds available pursuant to sections 7, 10, and 11 for community social development programs."

Page 10, line 5, delete "5" and insert "2"

Page 10, line 5, after "OF" insert "COUNTY"

Page 10, lines 6, 7, 16, 18, 20, and 33, delete "development" and insert "services"

Page 10, line 7, before "Methods" insert "A description of the"

Page 10, line 8, delete "state social development" and after "goals" insert "stated in section 2, subdivision 2"

Page 10, line 9, after "the" insert "county's"

Page 10, line 11, after "(d)" insert "A report on"

Page 10, line 15, after "(1)" insert "The"

Page 10, line 15, delete "for" and insert "of"

Page 10, line 17, after "(2)" insert "A list of the"

Page 10, line 24, delete "1396i" and insert "1396k"

Page 11, line 1, delete "budget and cost" and insert "budgets, administrative costs and costs"

Page 11, line 2, after "(h)" insert "A description of"

Page 11, line 3, delete "development"



Page 11, line 5, after "A" insert "description of the mechanism used to ensure public participation in developing the plan and a"

Page 11, line 9, delete "6" and insert "3"

Page 11, line 10, delete "5" and insert "2"

Page 11, line 13, delete "Copies" and insert "The county board shall submit a copy"

Page 11, line 13, delete "plans shall be submitted" and insert "plan"

Page 11, line 14, before "for" insert "or the metropolitan council"

Pages 11 and 12, delete subdivisions 7, 8, and 9

Pages 12 and 13, delete section 7 and insert:

"Sec. 7. [256E.07] [COUNTY ADMINISTRATION.] Subdivision 1. The county board of each county shall, subject to the supervision of the commissioner of public welfare, administer all community social services. The board shall appoint a director of community social services who meets at a minimum the merit system requirements of section 393.07, subdivision 5, to serve at the pleasure of the board and to perform the administrative functions required of the board by sections 1 to 14. The final approval of the community social services plan required in section 6 shall be made by the county board of each county.

Subd. 2. [CONTRACTS FOR SERVICES.] The county board may contract for community social services programs with a human services board, a multi-county board established by a joint powers agreement, other political subdivisions or private organizations.

Subd. 3. [COMMUNITY SOCIAL SERVICES FUND.] In the accounts and records of each county there shall be created a community social services fund. All moneys provided for community social services programs under sections 7, 10, and 11 and all other revenues, fees, grants-in-aid, gifts or bequests designated for community social services purposes shall be identified in the record of the fund and in the report required in subdivision 6. This fund shall be used exclusively for planning and delivery of community social services as defined in section 3, subdivision 3. If county boards have joined for purposes of administering community social services, the county boards may create a joint community social services fund. If a human service board has been established, the human service board shall account for community social services funds as required in Minnesota Statutes, Chapter 402.

Subd. 4. [FEES FOR SERVICES.] The county board may, subject to approval of the commissioner, establish by rule a schedule of fees based upon clients' ability to pay to be charged to recipients of community social services. Payment, in whole or in part, for services may be accepted from any person. When services are provided to any person, including a recipient of aids administered

by the federal, state or county government, payment of any charges due may be billed to and accepted from a public assistance agency or from any public or private corporation.

**Subd. 5. [COUNTY OF FINANCIAL RESPONSIBILITY.]** The county responsible for payment for community social services is the county in which the recipient of services resides at the time of application. The county of financial responsibility does not change as a result of referral for services to another county. Minors are considered as residing in the county in which their parents or guardians reside. When a minor reaches the age of 18, the county of financial responsibility is the county in which the minor resides. If a person continues in residential care or treatment after reaching the age of 18, the county which initiated the treatment is the county of financial responsibility.

**Subd. 6. [FINANCIAL REPORTING BY COUNTIES.]** Beginning in calendar year 1981 each county shall submit to the commissioner of public welfare a financial accounting of the county's community social services fund. A quarterly statement shall be submitted no later than 15 days after the end of the calendar quarter, and shall include:

(a) A detailed statement of income and expenses attributable to the fund in the preceding quarter; and

(b) A statement of the source and application of all funds used for social services programs by the county during the preceding year, including the number of clients served and expenditures for each service provided, as required by the commissioner of public welfare.

In addition, each county shall submit to the commissioner of public welfare no later than February 15 of each year, a detailed balance sheet of the community social development fund for the preceding calendar year.

If county boards have joined, or designated human service boards, for purposes of providing community social services programs the county boards may submit a joint statement or the human service board shall submit the statement as applicable.

**Subd. 7. [REDUCTION IN SERVICES PROHIBITED.]** In calendar years 1980 and 1981 the county board shall not reduce the funding provided in calendar year 1979 for the following services: child care, mental health, chemical dependency and mental retardation services, including developmental achievement centers.

**Sec. 8. [256E.08] [MULTI-COUNTY PLANNING.]** The minimum population for social services planning is 30,000, based on the most recent federal census or determination by the state demographer. Two or more contiguous counties may, through a joint powers agreement, submit a multi-county biennial social services plan to obtain funds under sections 1 to 14. However when three or more counties combine for the purposes of sections 1 to 14 the 30,000 minimum population is not required. When two or more

counties combine for the purposes of sections 1 to 14, the department of public welfare with the approval of the regional development commissions directly involved, may waive the requirements that all counties be within a single development region; provided, however, that if a single county has received an exemption for formation of a human services board pursuant to section 402.01, the population base of 30,000 is waived and the county is eligible for participation in sections 1 to 14. For counties that have designated a human services board under sections 402.01 and 402.02, Laws 1974, Chapter 293, or Laws 1976, Chapter 340, the human services board shall assume the duties and responsibilities assigned to the county board by sections 1 to 14 except those assigned in section 10, subdivisions 5 and 6. The social services plan shall be approved by the county board of each county which is a party to the plan, public hearings on any proposed multi-county plan shall be held in each county to be served under the plan. Notification shall be given to the commissioner and to each county in a multi-county plan at least one year before the beginning of the fiscal year in which the plan takes effect."

Page 13, line 23, delete "Sec. 8. [256E.08]" and insert "Sec. 9. [256E.09]"

Page 13, line 26, after "boards" insert "to assist"

Page 13, line 27, delete "5" and insert "3"

Page 13, line 32, delete "9" and insert "14"

Page 14, line 4, delete "9" and insert "14"

Page 14, lines 5 and 30, delete "development" and insert "services"

Page 14, delete section 9 and insert:

"Sec. 10. [256E.10] [STATE SOCIAL SERVICES AIDS.] Subdivision 1. [FORMULA.] The commissioner of public welfare shall distribute community social services aids to each county board in an amount determined according to the following formula:

(a) An amount equal to \$64 multiplied by the average unduplicated number of persons who receive AFDC, general assistance and medical assistance per month in calendar year 1979 as reported in the average monthly caseload reports required under Minnesota Statutes, Sections 256.01, 256B.04 and 256D.04, and certified by the commissioner of public welfare;

(b) Plus an amount equal to \$2.75 multiplied by the number of persons residing in the county as determined by the most recent data of the state demographer;

(c) Plus an amount equal to \$17 multiplied by the number of persons residing in the county who are 60 years old or older as determined by the most recent data of the state demographer.

If the legislature appropriates for any biennium a greater or lesser amount than the amount determined according to this

formula, the amount due to the counties shall be increased or decreased accordingly. This increased or decreased amount, if any, shall be used for the purposes of subdivisions 4, 5, and 7 to 10.

Subd. 2. [LIMITATIONS.] No county shall receive less for community social services programs under subdivision 3 than it received in state moneys in calendar year 1978 for moneys earned in calendar year 1978 as authorized by Laws 1977, Chapter 453, Section 2 and as authorized by the 1979 regular session of the seventy-first legislature for the following activities: community mental health centers pursuant to Minnesota Statutes, Sections 245.61 to 245.691 and 254A.07, except moneys authorized for programs serving native Americans pursuant to Minnesota Statutes, Section 254A.031; developmental achievement centers pursuant to Minnesota Statutes, Sections 252.21 to 252.261; day care services pursuant to Minnesota Statutes, Sections 245.83 to 245.87, except moneys authorized in the official worksheets of the senate and house conferees for migrant labor day care; moneys authorized in the official worksheets of the senate and house conferees for detoxification programs pursuant to Minnesota Statutes, Section 254A.08 and for half-way houses for chemically dependent persons; and moneys appropriated for affected employees pursuant to Minnesota Statutes, Section 254A.12 and for services to youth and other underserved populations pursuant to Minnesota Statutes, Section 254A.14. These moneys shall be increased annually by an amount determined by the legislature to compensate for inflation.

For purposes of this subdivision, 50 percent of the county administrative cost reimbursement authorized by Laws 1977, Chapter 453, Section 2, which were received in calendar year 1979 are considered community social services moneys. The term state moneys does not include any federal moneys received by the state or counties for financing these services.

No county shall receive more than 130 percent of the amount received in the immediately preceding year as specified in this subdivision, adjusted for inflation. For the first year following the effective date of sections 1 to 14, no county shall receive more than 130 percent of the amount received in 1978.

Subd. 3. [PAYMENTS TO COUNTIES.] The commissioner of public welfare shall make payments for community social services planning and program delivery to each county in four installments per year. The commissioner of public welfare may certify the payment for the first three months of a calendar year based on estimates of the unduplicated number of persons receiving AFDC, general assistance and medical assistance for the immediately preceding year. The following three payments shall be adjusted to reflect the actual unduplicated number of persons who received AFDC, general assistance and medical assistance as required by subdivision 1.

Subd. 4. [LOCAL EFFORT.] Each county shall quarterly certify to the commissioner of public welfare that the county has provided from its resources funding for community social services

in an amount at least equal to its state aids pursuant to the formula in subdivision 1.

**Subd. 5. [COMMUNITY SOCIAL SERVICE LEVY.]** In calendar year 1979 for taxes payable 1980, each county board shall levy upon all taxable property in the county a tax equal to the amount determined in subdivision 1 for community social services programs. In calendar year 1980 for taxes payable 1981, each county board shall levy upon all taxable property in the county a tax equal to the amount determined in subdivision 1. Levies authorized in subdivisions 5 and 6 shall replace any social services program levies as defined in Minnesota Statutes, Section 275.50, Subdivision 5, Clause (c). All funds available to counties pursuant to this section may be used by counties to match federal funds.

**Subd. 6. [OPTIONAL EXCESS LEVY.]** In addition to the levy required by subdivision 5, a county may levy one and one-half mills on the current adjusted assessed value as certified by the equalization aid review committee pursuant to Minnesota Statutes, Section 124.212, Subdivision 10, for community social services programs. If the sum of state aid and local levies authorized by subdivisions 5 and 6 for community social services programs in any year is less than 106 percent of the sum of state aids and community social services program levies received by a county in the immediately preceding year, that county may levy an additional amount sufficient to increase the sum to equal 106 percent of the sum of state aid and local levies authorized by subdivisions 5 and 6 for the immediately preceding year. The term county levies for community social services programs means levies for community social services as defined in Minnesota Statutes, Section 275.50, Subdivision 5, Clause (c) including levies which were made to match federal moneys received pursuant to Title XX of the federal Social Security Act.

**Subd. 7. [FAILURE TO SPEND.]** A county which has not spent the aids granted under subdivision 1 for community social services programs within two years of receiving those aids shall receive a reduction in state social services aid calculated pursuant to subdivision 1. This reduction shall be made in the calendar year which begins no more than 30 months after the underspending has occurred and shall be equal to one-half the amount of aids which were not spent.

**Subd. 8. [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 subdivision 1. The commissioner shall calculate the reduced aid as follows:

(a) Divide the amount levied by the amount required to be levied in subdivision 5.

(b) Multiply the ratio derived in clause (a) by the aid calculated under subdivision 1.

**Subd. 9. [INAPPROPRIATE EXPENDITURES.]** Beginning in calendar year 1981, for any county containing a city of the first

class that spends moneys received under sections 1 to 14 for purposes other than community social services programs, the amount of aid provided under subdivision 1 shall be reduced by an amount equal to the community social services aids allocated under subdivision 1 in the immediately preceding year which were spent for purposes other than community social services programs.

Subd. 10. [LOCAL GOVERNMENT AID.] Beginning in calendar year 1981 the amount of local government aid provided under Minnesota Statutes, Section 477A.01, Subdivision 2 to any county not containing a city of the first class that spends moneys received under sections 1 to 14 for purposes other than community social services programs shall be reduced by an amount equal to the community social services aids allocated pursuant to subdivision 1 in the immediately preceding year which were spent for purposes other than community social services programs.

Subd. 11. [APPEAL.] Prior to certifying any reduction in aids, the commissioner shall notify the county of his intention to certify a reduction. He shall notify the county of the right to a hearing. If the county requests a hearing within thirty days of notification of intention to reduce aids, the commissioner shall not certify any reduction in aids until a hearing is conducted and a decision rendered in accordance with the provisions of chapter 15 for contested cases.

Subd. 12. [PLANNING GRANTS.] The commissioner may make grants to counties for planning community social services programs. The commissioner shall specify the terms and conditions of the planning grants. Grants for planning shall each be limited to one year.

Sec. 11. [256E.11] [TITLE XX ALLOCATION.] Funds for social services which are received from the federal government to reimburse counties for social service expenditures pursuant to Title XX of the Social Security Act shall be allocated to each county according to the following formula:

(a) Two-thirds shall be allocated on the basis of the annual average number of unduplicated active caseloads in each county in the following programs: aid to families with dependent children, medical assistance, supplementary security income under 42 U.S.C. 1381 et seq. and Minnesota supplemental aid under sections 256D.-36 et seq.

(b) One-third shall be allocated on the basis of the number of persons residing in the county as determined by the most recent data of the state demographer.

(c) At least 94 percent of the total funds received from the federal government for social services in federal fiscal year 1979 pursuant to Title XX of the Social Security Act shall be allocated to the counties pursuant to this section.

(d) In calendar year 1980 and subsequent years, no county shall receive a reimbursement of an amount less than 100 percent of the Title XX funds it received in the calendar year 1978. If the amount allocated to any county pursuant to paragraphs (a), (b)

and (c) is less than 100 percent of its 1978 allocation, its allocation shall be raised to 100 percent of the 1978 allocation through a percent reduction applied to the amounts by which allocations to other counties exceed their 1978 amounts. If in any year the amount of Title XX funds to the state is reduced, the guarantee provided in this paragraph shall be reduced by a percentage reduction equal to the percentage reduction in Title XX funds to the state as a whole. The commissioner of public welfare shall quarterly review the use of Title XX funds by each county and reallocate unused funds among the other counties according to the formula in paragraphs (a), (b) and (c) so that all available federal funds are used within the federal fiscal year."

Page 14, line 28, delete "Sec. 10." and insert "Sec. 12. [256E.12]"

Page 14, line 28, delete "DEVELOPMENT" and insert "SERVICES"

Page 14, line 31, delete "19" and insert "21"

Page 15, line 1, after "welfare," insert "economic security"

Page 15, line 1, after the semicolon insert "and the"

Page 15, line 2, delete "and"

Page 15, line 3, before the semicolon insert ", and the state planning agency"

Page 15, line 6, delete "development programs" and insert "services"

Page 15, line 23, delete "make a"

Page 15, line 23, after "study" delete "of"

Page 15, lines 24, 29, and 33, delete "development" and insert "services"

Page 16, line 2, after "(1)" insert "Analysis of"

Page 16, lines 2, 6, 12, 22 and 28, delete "development" and insert "services"

Page 16, line 5, after "(2)" insert "Recommendations on"

Page 16, line 9, after "(3)" insert "Recommendations on"

Page 16, line 13, after "(4)" insert "Recommendations on"

Page 16, line 18, after "(5)" insert "Recommendations on"

Page 16, line 22, after "(d)" insert "An inventory of"

Page 16, line 23, after "and" insert "analysis of"

Page 16, line 26, after "(e)" insert "Analysis of"

Page 16, line 26, after "need" insert ", if any,"

Page 17, line 7, delete "development" and insert "services"

Page 17, after line 26, insert:

"Subd. 7. [EXPIRATION.] This section is effective until the commission's presentation of its final report to the governor and the legislature is completed.

Sec. 13. [PILOT PROGRAMS.] Nothing in sections 1 to 14 shall prohibit the commissioner from making grants for pilot programs in certain counties or on a statewide basis when the legislature authorizes funds to encourage innovation in community social services programs or to respond to the needs of a specified group of persons.

Sec. 14. [GRANTS FOR COMMUNITY RESIDENTIAL LIVING FOR CHRONICALLY MENTALLY ILL PERSONS.] Subdivision 1. The commissioner shall establish an experimental statewide program to assist counties in providing services to chronically mentally ill persons. The commissioner shall make grants to counties to establish, operate, or contract with private providers to provide services designed to help chronically mentally ill persons remain and function in their own communities.

Subd. 2. To apply for a grant a county board shall submit an application and budget for the use of the funds in the form specified by the commissioner. The commissioner shall make grants only to counties whose applications and budgets are approved by the commissioner. A county receiving a grant under this section shall finance at least ten percent of the cost of services for chronically mentally ill persons from local resources which may include private contributions, federal funds, and in kind resources.

Subd. 3. The commissioner shall allocate funds under this section to finance up to 90 percent of each county's costs for services for chronically mentally ill persons. The commissioner shall promulgate temporary rules to govern grant applications, approval of applications, allocation of grants, and maintenance of financial statements by grant recipients. The commissioner shall require collection of data and periodic reports as the commissioner deems necessary to demonstrate the effectiveness of the services in helping chronically mentally ill persons remain and function in their own communities. The commissioner shall report to the legislature no later than January 15, 1981 on the effectiveness of the experimental program and his recommendations regarding making this program an integral part of the social development programs administered by counties. The experimental program shall expire no later than June 30, 1981."

Page 17, line 27, delete "The sum of"

Page 17, delete lines 28 to 30 and insert "[COMMUNITY SOCIAL SERVICES AID.] There is appropriated annually from the general fund to the commissioner of public welfare an amount sufficient to pay the state social services aids authorized by section 10."

Page 17, after line 30, insert:

"Subd. 2. [PLANNING GRANTS.] The sum of \$500,000 is appropriated from the general fund to the commissioner of public



welfare for the biennium ending June 30, 1981 for planning grants authorized by section 10, subdivision 12."

Page 17, line 31, delete "2" and insert "3"

Page 17, line 33, delete "10" and insert "12, subdivision 5"

Page 18, delete subdivision 3

Page 18, line 6, delete "this act" and insert "sections 1 to 14"

Page 18, after line 8, insert:

"Subd. 5. The sum of \$6,000,000 for the biennium ending June 30, 1981, is appropriated to the commissioner of public welfare for the purposes of section 14."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "development" and insert "services"

Page 1, lines 8 and 9, delete "authorizing the appointment of advisory councils;"

Page 1, line 11, after the semicolon, insert "establishing an experimental program of services for chronically mentally ill persons;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Tennessen from the Committee on Commerce, to which was referred

S. F. No. 623: A bill for an act relating to insurance; removing certain licensing and regulatory controls from appraisers, adjusters, solicitors and other persons handling insurance claims; repealing Minnesota Statutes 1978, Chapter 72B.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1978, Section 72B.01, is amended to read:

72B.01 [PURPOSE AND SCOPE.] It is the purpose of sections 72B.01 to 72B.14 to provide high quality service to insureds and insurance claimants in the state of Minnesota by providing for well trained ~~appraisers~~, adjusters and persons engaged in soliciting business for adjusters, who are qualified to deal with the public in the interest of a fair resolution of insurance claims. Sections 72B.01 to 72B.14 shall apply to all ~~appraisers~~, adjusters, and adjusters' solicitors, except as specifically stated to the contrary; but nothing in sections 72B.01 to 72B.14 shall apply to:

(a) An attorney at law who is licensed or otherwise allowed to practice law in this state and who does not hold himself out to be an adjuster, ~~appraiser~~ or adjuster's solicitor.

(b) A licensed agent of an authorized insurer who adjusts losses for such insurer solely under policies issued by him or his agency or on which he is the agent of record, provided the agent receives no extra compensation for such services.

(c) Personnel of township mutual companies.

(d) Adjusters for crop hail and farm windstorm damage claims who are on the staff of companies covering such risks.

(e) Persons who process life insurance annuity contract or accident and health insurance claims.

(f) Persons processing or adjusting wet marine or inland transportation claims or losses.

Sec. 2. Minnesota Statutes 1978, Section 72B.03, is amended to read:

72B.03 [LICENSES.] Subdivision 1. [REQUIREMENT; EXCEPTIONS.] Except as otherwise provided, no person shall act as an independent adjuster, public adjuster, or public adjuster solicitor or appraiser for money, a commission, or any other thing of value, unless such person shall first obtain from the commissioner a license. No license shall be required for a person:

(a) Undergoing a training or education program under the guidance of a licensed adjuster and who is registered with the commissioner for a one year temporary permit;

(b) Acting in a catastrophe or emergency situation, and who has registered with the commissioner for that purpose;

~~(c) Who is engaged as a staff appraiser;~~

~~(d)~~ (c) A nonresident adjuster who occasionally is in this state to adjust a single loss; provided, however, that if a nonresident adjusts more than six losses in this state in one year he must qualify for and receive a nonresident's license as provided in sections 72B.01 to 72B.14, and provided the adjuster's domiciliary state affords a like privilege.

Subd. 2. [CLASSES OF LICENSES.] There shall be ~~four~~ three classes of licenses, as follows:

(a) Independent adjuster's license.

(b) Public adjuster's license.

(c) Public adjuster solicitor's license.

~~(d) Appraiser's license.~~

The independent adjuster and public adjuster licenses shall be issued in at least three fields each, as follows:

(a) Fire and allied lines, inland marine lines and including all perils under homeowners policies.

(b) All lines written as casualty insurance under section 60A.06, and including workers' compensation.

(c) A combination of the fields described in (a) and (b), above. Separate licenses shall be required for each field, but the same person may obtain licenses in more than one field. No person shall be licensed as both a public and independent adjuster. The license shall state the class for which the person is licensed and, where applicable, the field in which the person is licensed, and shall state the licensee's name and residence address, the date of issuance and the date of expiration of the license and any other information prescribed by the commissioner which is consistent with the purpose of the license.

Subd. 3. [PAYMENT FOR SERVICES; UNLAWFUL PRACTICE.] No insurer, agent, or other representative of an insurer nor any adjuster or appraiser shall pay any fee or other compensation to any person for acting as an adjuster, an appraiser, or a public adjuster solicitor, except to a person duly licensed to so act or to a person not required to be licensed by sections 72B.01 to 72B.14; and it shall be unlawful for any person to act as an independent adjuster, a public adjuster, or a public adjuster solicitor or an appraiser, who is not duly licensed, or excluded from the licensing requirement.

Sec. 3. Minnesota Statutes 1978, Section 72B.04, Subdivision 1, is amended to read:

72B.04 [LICENSE PROCEDURE AND REQUIREMENTS; EXAMINATIONS; FEES.] Subdivision 1. [APPLICATION.] A license to act as an adjuster, appraiser, or public adjuster solicitor shall only be granted by the commissioner to a qualified person upon request.

Sec. 4. Minnesota Statutes 1978, Section 72B.04, Subdivision 2, is amended to read:

Subd. 2. [QUALIFICATIONS.] An applicant for licensing as an adjuster under sections 72B.01 to 72B.14 shall be at least 18 years of age, and shall have one year's training and experience in adjusting insurance claims for damage or loss from risks in the field stated in his application. The applicant shall be competent and trustworthy and shall not have been engaged in any practice which would be grounds for suspension or revocation of a license under sections 72B.01 to 72B.14 within the three years next preceding the date of his application.

An applicant for licensing as an appraiser under sections 72B.01 to 72B.14 shall be at least 18 years of age and shall have had one-year's training and experience in evaluating motor vehicle physical damage. The applicant shall be competent and trustworthy and shall not have been engaged in any practice which would be grounds for suspension or revocation of a license under sections 72B.01 to 72B.14 within the three years next preceding the date of his application.

An applicant for licensing as a public adjuster solicitor under sections 72B.01 to 72B.14 shall be at least 18 years of age, shall be competent and trustworthy, and shall not have been engaged in any practice which would be grounds for suspension or revocation

of a license under sections 72B.01 to 72B.14 within the three years next preceding the date of his application.

In the case of any applicant who has been convicted of a felony within the ten years next preceding the date of his application, and who in the judgment of the commissioner, meets the other qualifications, the commissioner may impose the additional requirement of the filing of a bond in accordance with the requirements of section 72B.08, subdivision 8.

Sec. 5. Minnesota Statutes 1978, Section 72B.04, Subdivision 5, is amended to read:

Subd. 5. [EXAMINATIONS.] A person applying for a license under sections 72B.01 to 72B.14 must successfully complete an examination prescribed by the commissioner, which examination shall be at least in part a written examination. Examinations shall be given at such time and place as designated by the commissioner and there shall be different examinations for adjusters, ~~appraisers~~, public adjuster solicitors, and applicants for temporary permits. Adjusters' examinations shall be given in at least each of three fields: fire and allied lines, inland marine lines and including all perils under homeowners policies; all lines written as casualty insurance under section 60A.06, and including workers' compensation; and a combination of the two foregoing fields. Each examination shall be, in the judgment of the commissioner with the advice of the advisory committee, sufficient to require for a satisfactory score such knowledge of insurance, adjusting practices and appraisal techniques, to the extent that such knowledge is necessary for the class of license applied for and the field in which the applicant is being examined, that the people of Minnesota will receive insurance claim service from persons who are sufficiently trained to make fair and well informed judgments in the evaluation or settlement of insured losses. The examination for an applicant for a temporary permit may be oriented to the specified fields, but shall be less exacting than the examination for a license.

The commissioner may by rule determine the period of time between failure of an examination and re-examination.

A person shall not be eligible to take an examination if his license as an adjuster, ~~appraiser~~, or public adjuster solicitor has been revoked in this or any other state within the three years next preceding the date of his application.

No examination shall be required for the timely renewal of a license, unless the license has been revoked.

Sec. 6. Minnesota Statutes 1978, Section 72B.04, Subdivision 7, is amended to read:

Subd. 7. [LICENSE TERM.] Every adjuster's, ~~appraiser's~~ and public adjuster solicitor's license shall be for a term expiring on December 31 next following the date of its issuance, and may be renewed for the ensuing calendar year upon the timely filing of an application for renewal.

Sec. 7. Minnesota Statutes 1978, Section 72B.08, Subdivision 1, is amended to read:

72B.08 [DENIAL, SUSPENSION AND REVOCATION OF LICENSES.] Subdivision 1. [CAUSES.] The commissioner may suspend, revoke, or refuse to issue an initial or renewal license or temporary permit for any of the following causes:

- (a) Failure to pass a required examination;
- (b) Material misrepresentation or fraud in obtaining or attempting to obtain a license or a temporary permit;
- (c) Willful violation of any insurance law or of any provision of sections 72B.01 to 72B.14;
- (d) Misappropriation, conversion or illegal withholding of moneys required to be held in a fiduciary capacity;
- (e) Materially misrepresenting the terms and effect of any insurance contract, with intent to deceive, or engaging in, or attempting to engage in, any fraudulent transaction with respect to a claim or loss that the licensee or holder of a temporary permit is adjusting or appraising and, in the case of a public adjuster solicitor, misrepresenting the services offered or the fees or commission to be charged.
- (f) Conviction of a felony under the laws of this state, any other state, the United States, or any foreign country.
- (g) The licensee or holder of a temporary permit has demonstrated his incompetency or untrustworthiness to act as an adjuster, appraiser, or public adjuster solicitor;
- (h) Refusal to comply with any lawful order of the commissioner.

Sec. 8. Minnesota Statutes 1978, Section 72B.10, is amended to read:

72B.10 [STAFF ADJUSTERS.] A staff adjuster or a staff appraiser who adjusts or appraises losses or claims in this state shall not be subject to the application, licensing, or examination requirements or other qualifications set forth in sections 72B.01 to 72B.14. Such a staff adjuster or appraiser shall not, however, engage in any of the practices forbidden to a licensee under section 72B.08, subdivision 1, clauses (c), (d), (e), (f), (g) or (h). If the commissioner has information, which if true, would establish that a staff adjuster or appraiser has engaged or is engaging in any such prohibited practices, he may issue an order for a hearing to determine the facts involved. The order shall fix the time and place for hearing. The staff adjuster or appraiser and one or more representatives of the insurer or insurers employing the staff adjuster or appraiser shall make an appearance at the hearing unless the commissioner expressly waives the appearance of one or more such parties. If, following the hearing, the commissioner determines that the staff adjuster or appraiser has engaged or is engaging in any prohibited practices, he may impose a fine, not in excess of \$500, on the staff adjuster or appraiser or on the employing

insurer or insurers, or on both such parties. In addition, the commissioner may order the employing insurer to suspend the staff adjuster or appraiser from his duties for such period as the commissioner may deem appropriate.

Any final order of the commissioner shall be subject to judicial review. Any hearing or judicial review under this section shall be in accordance with the contested case provisions of chapter 15.

**Sec. 9. [REPEALER.]** *Minnesota Statutes 1978, Section 72B.02, Subdivisions 9 and 10, are repealed."*

Amend the title as follows:

Page 1, line 3, delete the comma

Page 1, delete line 4

Page 1, line 5, delete "insurance claims"

Page 1, line 5, after the semicolon insert "amending Minnesota Statutes 1978, Sections 72B.01; 72B.03; 72B.04, Subdivisions 1, 2, 5, and 7; 72B.08, Subdivision 1; and 72B.10;"

Page 1, line 6, delete "Chapter 72B" and insert "Section 72B.02, Subdivisions 9 and 10"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 1339: A bill for an act relating to insurance premium finance companies; authorizing finance charges at rates permitted by the general usury provisions; amending Minnesota Statutes 1978, Section 59A.09, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete lines 11 to 18 and insert:

*"Subd. 6. The maximum rate limitations of this section shall not apply to finance charges under an insurance premium finance agreement, if the rate does not exceed the maximum rate permissible under section 334.011 and the agreement was made to finance an insurance policy for business or agricultural purposes, as defined by section 334.011. The maximum rate limitations of this section shall not apply to an insurance premium finance agreement, if the insured is a corporation or cooperative.*

**Sec. 2. [EFFECTIVE DATE.]** *This act is effective the day following final enactment."*

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 1327: A bill for an act relating to commerce; setting a time limit on requests for hearings on orders denying, revoking or suspending franchises; amending Minnesota Statutes 1978, Section 80C.12, Subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, after line 6, insert:

"Sec. 2. Minnesota Statutes 1978, Section 82.21, Subdivision 1, is amended to read:

82.21 [FEES.] Subdivision 1. [AMOUNTS.] The following fees shall be paid to the commissioner:

(a) A fee of \$50 for each initial individual broker's license, and a fee of \$25 for each annual renewal thereof;

(b) A fee of \$25 for each initial salesperson's license, and a fee of \$10 for each annual renewal thereof;

(c) A fee of \$50 for each initial corporate or partnership license, and a fee of \$25 for each annual renewal thereof;

~~(d)~~ A fee of \$10 for each examination taken to satisfy the requirements of this chapter;

~~(e)~~ (d) A fee not to exceed \$20 per year for payment to the education, research and recovery fund in accordance with section 82.34;

~~(f)~~ (e) A fee of \$10 for each transfer.

Sec. 3. Minnesota Statutes 1978, Section 82.22, Subdivision 1, is amended to read:

82.22 [EXAMINATIONS.] Subdivision 1. [GENERALLY.] Each applicant for a license must pass an examination conducted by the commissioner. The examinations shall be of sufficient scope to establish the competency of the applicant to act as a real estate broker or as a real estate salesperson. ~~Any applicant who fails to pass the examination for a real estate salesperson's license after two attempts may not take another examination prior to the expiration of six months from the time the applicant took the last examination.~~

Sec. 4. Minnesota Statutes 1978, Section 332.311, is amended to read:

332.311 [TRANSFER OF ADMINISTRATIVE FUNCTIONS.] The powers, duties, and responsibilities of the department of labor and industry *consumer services section* under sections 332.31 to 332.45 relating to collection agencies are hereby transferred to and imposed upon the section of consumer services *commissioner of securities* in the department of commerce.

Sec. 5. Minnesota Statutes 1978, Section 332.43, Subdivision 1, is amended to read:

332.43 [DELINQUENT COLLECTION AGENCIES.] Subdivision 1. If the consumer services section commissioner shall determine that a licensee is insolvent or that he has collected accounts but has failed to remit money due to any claimant or forwarder within 60 45 days from the end of the month in which collection was made, or when the license of a collection agency has expired or terminated for any reason whatsoever, the consumer services section commissioner, if it he shall determine such action necessary to protect the public interest, may apply to the district court for the county in which the main office of such agency is located for an order authorizing it to take possession of the assets and the books and records appointment of a receiver to receive the assets of the licensee for the purpose of liquidating or rehabilitating its business and or for such other relief as the nature of the case and the interest of the claimants or forwarders may require. The court, after citing the licensee to show cause why the consumer services section should not be authorized to take possession of the assets and books of account and records for the purpose of liquidating or rehabilitating the business of the licensee, and after hearing the allegations and proofs of the parties and determining the facts, may upon the merits dismiss the application, order the consumer services section to act as trustee for the rehabilitation of such agency, or, if it shall find such action necessary for the protection of the public, issue its order authorizing the consumer services section to take possession of the said books and records and or to liquidate the business and or granting such other relief as it may deem necessary under the circumstances. The reasonable and necessary expenses of the receivership shall constitute the first claim on the bond.

Sec. 6. *In the next and subsequent editions of Minnesota Statutes, the revisor of statutes shall make such changes in terminology as may be required to record the powers, duties and responsibilities which are transferred by section 4.*

Sec. 7. *Minnesota Statutes 1978, Sections 332.31, Subdivisions 4 and 5; and 332.43, Subdivisions 2 and 3, are repealed."*

Renumber the sections in sequence

Delete the title in its entirety and insert:

"A bill for an act relating to commerce; making a variety of changes in the administrative duties of the department of commerce; setting a time limit on requests for hearings on orders denying, revoking or suspending franchises; eliminating certain real estate license examination requirements; transferring and amending certain administrative powers relating to collection agencies; amending Minnesota Statutes 1978, Sections 80C.12, Subdivision 2; 82.21, Subdivision 1; 82.22, Subdivision 1; 332.311; 332.43, Subdivision 1; repealing Minnesota Statutes 1978, Sections 332.31, Subdivisions 4 and 5; and 332.43, Subdivisions 2 and 3."

And when so amended the bill do pass. Amendments adopted. Report adopted.



Mr. Tennesen from the Committee on Commerce, to which was referred

H. F. No. 227: A bill for an act relating to insurance; regulating homeowner's insurance; requiring insurers to disclose and file information; prescribing certain procedures for an insurer's refusal to renew or to write homeowner's insurance; prohibiting redlining; amending Minnesota Statutes 1978, Section 72A.20, Subdivision 1; and Chapter 65A, by adding sections.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1978, Section 62A.02, Subdivision 3, is amended to read:

Subd. 3. [DISAPPROVAL.] The commissioner shall, within 30 days after the filing of any form, disapprove the form:

(1) If the benefits provided therein are unreasonable in relation to the premium charged;

(2) If it contains a provision or provisions which are unjust, unfair, inequitable, misleading, deceptive or encourage misrepresentation of the policy; or

(3) If the proposed premium rate is excessive because the insurer has failed to exercise reasonable cost control.

For the purposes of clause (1), the commissioner shall establish by rule a schedule of minimum anticipated loss ratios which shall be based on (i) the type or types of coverage provided, (ii) whether the policy is for group or individual coverage, and (iii) the size of the group for group policies. Except for individual policies of disability or income protection insurance, the minimum anticipated loss ratio shall not be less than 50 percent after the first year that a policy is in force. All applicants for a policy shall be informed in writing at the time of application of the anticipated loss ratio of the policy. For the purposes of this subdivision, "anticipated loss ratio" means the ratio at the time of form filing or at the time of subsequent rate revision of the present value of all expected future benefits, excluding dividends, to the present value of all expected future premiums. Nothing in this paragraph shall prohibit the commissioner from disapproving a form which meets the requirements of this paragraph but which the commissioner determines still provides benefits which are unreasonable in relation to the benefits charged. The commissioner may until December 31, 1978, exercise emergency power for the purpose of implementing the minimum anticipated loss ratio requirement, and for this purpose may adopt emergency rules as provided in section 15.0412, subdivision 5. Notwithstanding the expiration of the commissioner's emergency power, any emergency rule adopted by him prior to the expiration of his emergency power may remain effective for the periods authorized in section 15.0412, subdivision 5.

If the commissioner notifies an insurer which has filed any form that the form does not comply with the provisions of this section or sections 62A.03 to 62A.05 and section 72A.20, subdivision 1, it shall be unlawful thereafter for the insurer to issue the form or use it in connection with any policy. In the notice the commissioner shall specify the reasons for his disapproval and state that a hearing will be granted within 20 days after request in writing by the insurer.

Sec. 2. Minnesota Statutes 1978, Chapter 65A, is amended by adding a section to read:

[65A.27] [DEFINITIONS.] Subdivision 1. For purposes of sections 2 to 4 the following terms have the meanings given.

Subd. 2. "Commissioner" means the commissioner of insurance.

Subd. 3. "Decline" or "declination" means an agent's refusal to accept an application for homeowner's insurance or an insurer's refusal to issue a policy of homeowner's insurance to a person who has submitted a written application.

Subd. 4. "Homeowner's insurance" means insurance coverage, as provided in section 60A.06, subdivision 1, clause (1) (c), normally written by the insurer as a standard homeowner's package policy or as a standard residential renter's package policy.

Subd. 5. "Insurer" means any insurer licensed to write insurance, as defined in section 60A.06, subdivision 1, clause (1), and writing homeowner's insurance in this state.

Subd. 6. "Metropolitan area" means the area defined in section 473.121, subdivision 2.

Subd. 7. "Nonpayment of premium" means a failure of the named insured to pay the premium when due on a policy of homeowner's insurance or any installment of the premium, whether the premium is payable directly to the insurer or its agent or indirectly under a premium finance plan or an extension of credit.

Subd. 8. "Renewal" or "renew" means an insurer's issuance and delivery to the insured of a new insurance policy at the end of the policy period of an existing policy written by the insurer or an insurer's issuance and delivery of a certificate or notice extending the term of a policy beyond its policy period or term.

Sec. 3. Minnesota Statutes 1978, Chapter 65A, is amended by adding a section to read:

[65A.28] [DISCLOSURE AND FILING REQUIREMENTS.] Subdivision 1. Each insurer writing homeowner's insurance for property located in the metropolitan area or a statutory or home rule charter city of the first class shall compile and file annually with the commissioner on or before May 1 a report for the preceding calendar year. This report shall contain the following information reported by postal zip code areas for each zip code area located in a city of the first class which contains property for which the insurer wrote, declined to write, or cancelled homeowner's insurance:

- (a) the number of policies written;
- (b) the number of policies cancelled;
- (c) the number of policies nonrenewed; and
- (d) the number of applications for homeowner's insurance declined.

If the commissioner determines that additional information is necessary to effectuate the purposes of this act, he may require, by rule:

- (i) that the required information be reported for additional areas of the state, or
- (ii) that additional types of information, including premium and claims data, be reported for some or all of the areas subject to the reporting requirements.

If the commissioner has reason to believe that an insurance company or insurance agent has violated section 72A.20, subdivisions 13 or 14, the commissioner may issue an order requiring the company or agent to compile and submit within a reasonable time information on its homeowner's insurance marketing, underwriting, or rating practices for a specific geographic area or areas. This information may be in addition to the types and categories of information required to be reported by this section or rules promulgated under subdivision 4.

Subd. 2. The commissioner shall make the reports filed pursuant to subdivision 1 available for public inspection.

Subd. 3. Any insurer required to report under this section which fails to file a report, containing the data and within the time prescribed by this section or rules promulgated under subdivision 4, shall be subject to a penalty of \$10 for each day in default. Any penalty imposed under this section may be recovered in a civil action brought by and in the name of the state.

Subd. 4. The commissioner may prescribe rules necessary to carry out the purposes of this section. The rules may provide for classifications, differentiations, adjustments or exceptions, as in the judgment of the commissioner are necessary and proper to effectuate the purposes of, prevent circumvention or evasion of, or to facilitate compliance with this section.

Sec. 4. Minnesota Statutes 1978, Chapter 65A, is amended by adding a section to read:

[65A.29] [CANCELLATION; NONRENEWAL; REFUSAL TO WRITE.] Subdivision 1. [CANCELLATION.] No insurer may cancel a policy of homeowner's insurance except for the reasons specified in section 65A.01.

Subd. 2. [RENEWAL; NOTICE REQUIREMENT.] No insurer may refuse to renew a policy of homeowner's insurance unless it delivers or mails to the named insured, at the most recent address furnished by the insured, at least 30 days advance notice

*of its intention not to renew. This notice shall state the specific underwriting or other reason for nonrenewal. This subdivision shall not apply to a refusal to renew for nonpayment of the premium.*

**Subd. 3. [REFUSAL TO WRITE.]** *Upon completion in writing of the insurer's application form for homeowner's insurance, any person having an insurable interest in real or tangible property at a fixed location shall be entitled upon written request either (a) to the insurer's offer of coverage, including type, amount and premium cost of coverage, or (b) to a written declination, stating specifically the underwriting or other reason for the refusal to write. For purposes of this subdivision, "insurer" means only an insurer writing or offering to write homeowner's insurance for property in the same statutory or home rule charter city or town in which the applicant's property is located.*

**Subd. 4. [FORM REQUIREMENTS.]** *Any notice or statement required by subdivisions 1 to 3 shall be written in language which is easily readable and understandable by a person of average intelligence and understanding. The statement of reason shall be sufficiently specific to convey, clearly and without further inquiry, the basis for the insurer's refusal to renew or to write the insurance coverage.*

**Subd. 5.** *Notwithstanding sections 65A.01 and 65A.07, any policy of homeowner's insurance issued after January 1, 1980 shall contain nonrenewal provisions consistent with this section.*

**Subd. 6. [IMMUNITY OF INSURER OR COMMISSIONER.]** *There shall be no liability on the part of and no cause of action of any nature shall arise against the commissioner or against any insurer, its authorized representative, its agents, its employees or any firm, person or corporation furnishing to the insured information as to reasons for declination, nonrenewal, or cancellation, for any statement made by them in any written notice of declination, nonrenewal or cancellation, for the providing of information relating thereto, or for statements made or evidence submitted at any hearings or investigations conducted in connection therewith. This subdivision shall not apply to any action or proceeding arising under section 6 of this act.*

**Sec. 5.** *Minnesota Statutes 1978, Section 65A.35, Subdivision 5, is amended to read:*

**Subd. 5. [ADMINISTRATION.]** *(1) The facility shall be administered by a governing committee of five members, elected annually by the members of the facility, and four additional members appointed by the commissioner, at least three of whom shall be public members. At least one elected member of the governing committee shall be a domestic stock insurer, and at least one elected member of the governing committee shall be a domestic non-stock insurer. In the election of members of the governing committee, each member of the facility shall be allotted votes bearing the same ratio to the total number of votes to be cast as its degree of participation in the facility bears to the total partici-*

pation. Pending the determination of the degree of participation of the members in the facility, each member of the facility shall be allotted votes bearing the same ratio to the total number of votes to be cast as each member's written premium on basic property insurance during calendar year 1968 bears to the statewide total written premium for basic property insurance during such year. The first governing committee shall be elected at a meeting of the members or their authorized representatives.

(2) Any vacancy *among the elected members* on the governing committee shall be filled by a vote of the other *elected* members of the governing committee.

(3) If at any time the members fail to elect the required number of members to the governing committee, or a vacancy remains unfilled for more than 15 days, the commissioner may appoint the members necessary to constitute a full governing committee.

Sec. 6. Minnesota Statutes 1978, Section 72A.20 is amended to read:

72A.20 [METHODS, ACTS AND PRACTICES WHICH ARE DEFINED AS UNFAIR OR DECEPTIVE.] Subdivision 1. *The following are hereby defined as unfair methods of competition and unfair and deceptive acts or practices in the business of insurance.*

(1) [MISREPRESENTATIONS AND FALSE ADVERTISING OF POLICY CONTRACTS.] Making, issuing, circulating, or causing to be made, issued, or circulated, any estimate, illustration, circular, or statement misrepresenting the terms of any policy issued or to be issued or the benefits or advantages promised thereby or the dividends or share of the surplus to be received thereon, or making any false or misleading statement as to the dividends or share of surplus previously paid on similar policies, or making any misleading representation or any misrepresentation as to the financial condition of any insurer, or as to the legal reserve system upon which any life insurer operates, or using any name or title of any policy or class of policies misrepresenting the true nature thereof, or making any misrepresentation to any policyholder insured in any company for the purpose of inducing or tending to induce such policyholder to lapse, forfeit, or surrender his insurance; *, shall constitute an unfair method of competition and an unfair and deceptive act or practice in the business of insurance.*

(2) Subd. 2. [FALSE INFORMATION AND ADVERTISING GENERALLY.] Making, publishing, disseminating, circulating, or placing before the public, or causing, directly or indirectly, to be made, published, disseminated, circulated, or placed before the public, in a newspaper, magazine, or other publication, or in the form of a notice, circular, pamphlet, letter, or poster, or over any radio station, or in any other way, an advertisement, announcement, or statement, containing any assertion, representation, or statement with respect to the business of insurance, or with respect to any person in the conduct of his insurance business, which

is untrue, deceptive, or misleading; , *shall constitute an unfair method of competition and an unfair and deceptive act or practice.*

(3) *Subd. 3. [DEFAMATION.]* Making, publishing, disseminating, or circulating, directly or indirectly, or aiding, abetting, or encouraging the making, publishing, disseminating, or circulating of any oral or written statement or any pamphlet, circular, article, or literature which is false, or maliciously critical of or derogatory to the financial condition of an insurer, and which is calculated to injure any person engaged in the business of insurance; , *shall constitute an unfair method of competition and an unfair and deceptive act or practice.*

(4) *Subd. 4. [BOYCOTT, COERCION AND INTIMIDATION.]* Entering into any agreement to commit, or by any concerted action committing, any act of boycott, coercion, or intimidation, resulting in or tending to result in unreasonable restraint of, or monopoly in, the business of insurance; , *shall constitute an unfair method of competition and an unfair and deceptive act or practice.*

(5) *Subd. 5. [FALSE FINANCIAL STATEMENTS.]* Filing with any supervisory or other public official, or making, publishing, disseminating, circulating, or delivering to any person, or placing before the public, or causing, directly or indirectly, to be made, published, disseminated, circulated, delivered to any person, or placed before the public, any false statement of financial condition of an insurer with intent to deceive; , *shall constitute an unfair method of competition and an unfair and deceptive act or practice in the insurance business.*

(6) *Subd. 6. [FALSE ENTRIES.]* Making any false entry in any book, report, or statement of any insurer with intent to deceive any agent or examiner lawfully appointed to examine into its condition or into any of its affairs, or any public official to whom such insurer is required by law to report, or who has authority by law to examine into its condition or into any of its affairs, or, with like intent, wilfully omitting to make a true entry of any material fact pertaining to the business of such insurer in any book, report, or statement of such insurer; , *shall constitute an unfair method of competition and an unfair and deceptive act or practice.*

(7) *Subd. 7. [STOCK OPERATIONS AND ADVISORY BOARD CONTRACTS.]* Issuing or delivering, or permitting agents, officers, or employees to issue or deliver, agency company stock or other capital stock, or benefit certificates or shares in any common-law corporation, or securities or any special or advisory board contracts or other contracts of any kind promising returns and profits as an inducement to insurance; , *shall constitute an unfair method of competition and an unfair and deceptive act or practice.*

(8) *Subd. 8. [DISCRIMINATION.]* Making or permitting any unfair discrimination between individuals of the same class and equal expectation of life in the rates charged for any contract of life insurance or of annuity or in the dividends or other benefits

payable thereon, or in any other of the terms and conditions of such contract or in making or permitting the rejection of an individual's application for life insurance coverage, as well as the determination of the rate class for such individual, on the basis of a disability, *shall constitute an unfair method of competition and an unfair and deceptive act or practice*, unless the claims experience and actuarial projections and other data establish significant and substantial differences in class rates because of the disability; .

(9) *Subd. 9. [DISCRIMINATION BETWEEN INDIVIDUALS OF THE SAME CLASS.]* Making or permitting any unfair discrimination between individuals of the same class and of essentially the same hazard in the amount of premium, policy fees, or rates charged for any policy or contract of accident or health insurance or in the benefits payable thereunder, or in any of the terms or conditions of such contract, or in any other manner whatever, or in making or permitting the rejection of an individual's application for accident or health insurance coverage, as well as the determination of the rate class for such individual, on the basis of a disability, *shall constitute an unfair method of competition and an unfair and deceptive act or practice*, unless the claims experience and actuarial projections and other data establish significant and substantial differences in class rates because of the disability; .

(10) *Subd. 10. [REBATES.]* Except as otherwise expressly provided by law, knowingly permitting or offering to make or making any contract of life insurance, annuity, or accident and health insurance, or agreement as to such contract, other than as plainly expressed in the contract issued thereon, or paying or allowing or giving, or offering to pay, allow, or give, directly or indirectly, as inducement to such insurance or annuity, any rebate of premiums payable on the contract, or any special favor or advantage in the dividends or other benefits thereon, or any valuable consideration or inducement whatever not specified in the contract; or giving or selling or purchasing, or offering to give, sell, or purchase, as inducement to such insurance or annuity, or in connection therewith, any stocks, bonds, or other securities of any insurance company or other corporation, association, or partnership, or any dividends or profits accrued thereon, or anything of value whatsoever not specified in the contract; , *shall constitute an unfair method of competition and an unfair and deceptive act or practice*.

(11) *Subd. 11. [APPLICATION TO CERTAIN SECTIONS.]* ~~Any violation of~~ *Violating any provision of the following sections of this chapter not set forth in clauses (1) subdivisions 1 to (10) of this subdivision 10 shall constitute an unfair method of competition and an unfair and deceptive act or practice* : section 72A.12, subdivisions 2, 3, and 4, section 72A.16, subdivision 2, sections 72A.03 and 72A.04, section 72A.08, subdivision 1 as modified by section 72A.08, subdivision 4, and section 65B.13; .

(12) *Subd. 12. [UNFAIR SERVICE.]* Causing or permitting with such frequency to indicate a general business practice the claims and complaints of insureds to be processed in an unreason-

able length of time, or in an unfair, deceptive, or fraudulent manner, or in violation of such ~~regulations~~ rules as the commissioner of insurance shall make in the public interest to insure the prompt, fair, and honest processing of such claims and complaints, shall constitute an unfair method of competition and an unfair and deceptive act or practice.

*Subd. 13. [REFUSAL TO RENEW.] Refusing to renew, declining to offer or write, or charging differential rates for an equivalent amount of homeowner's insurance coverage, as defined by section 2 of this act, for property located in a town or statutory or home rule charter city, in which the insurer offers to sell or writes homeowner's insurance, solely because:*

*(a) of the geographic area in which the property is located;*

*(b) of the age of the primary structure sought to be insured;*

*(c) the insured or prospective insured was denied coverage of the property by another insurer, whether by cancellation, nonrenewal or declination to offer coverage, for a reason other than those specified in section 65A.01, subdivision 3a, clauses (a) to (e); or*

*(d) the property of the insured or prospective insured has been insured under the Minnesota Fair Plan Act, shall constitute an unfair method of competition and an unfair and deceptive act or practice.*

*This subdivision shall not prohibit the insurer from applying underwriting or rating standards which the insurer applies generally in all other locations in the state and which are not specifically prohibited by clauses (a) to (d). Such underwriting or rating standards shall specifically include but not be limited to standards based upon the proximity of the insured property to an extraordinary hazard or based upon the quality or availability of fire protection services or based upon the density or concentration of the insurer's risks. Clause (b) shall not prohibit the use of rating standards based upon the age of the insured structure's plumbing, electrical, heating or cooling system or other part of the structure, the age of which affects the risk of loss. Any insurer's failure to comply with section 4, subdivisions 2 to 4 of this act, either (1) by failing to give an insured or applicant the required notice or statement or (2) by failing to state specifically a bona fide underwriting or other reason for the refusal to write shall create a presumption that the insurer has violated this subdivision.*

*Subd. 14. [APPLICATION FORM REFUSAL.] An insurance agent refusing to supply a requested application form for homeowner's insurance with any insurer whom the agent represents or refusing to transmit forthwith any completed application form to the insurer, shall constitute an unfair method of competition and an unfair and deceptive act or practice.*

*Sec. 7. Minnesota Statutes 1978, Section 72A.23, Subdivision 1, is amended to read:*

*72A.23 [DECISION AND ORDER THEREON.] Subdivision 1. [DETERMINATION BY COMMISSIONER; FINDINGS.] If,*



after a hearing, as provided in section 72A.22, the commissioner shall determine that the method of competition or the act or practice in question is defined in section 72A.20, and that the person complained of has engaged in that method of competition, act, or practice, in violation of sections 72A.17 to 72A.32 he shall reduce his findings to writing and shall issue and cause to be served upon the person charged with the violation an order requiring him to cease and desist from engaging in that method of competition, act or practice. *If the commissioner determines that an insurer has engaged in an act or practice defined in section 72A.20, subdivision 13, the cease and desist order may also require the insurer to write or renew the homeowner's insurance coverage sought by the insured or prospective insured for a specified period of up to three years without cancellation or nonrenewal by the insurer for a reason not specified in section 65A.01; after the specified period expires, cancellation or nonrenewal of the coverage may be made only as permitted by law.*"

Amend the title by striking it in its entirety and inserting:

"A bill for an act relating to insurance; regulating homeowner's insurance; requiring insurers to disclose and file information; prescribing certain procedures for an insurer's refusal to renew or to write homeowner's insurance; prohibiting redlining; amending Minnesota Statutes 1978, Sections 62A.02, Subdivision 3; 65A.35, Subdivision 5; 72A.20; 72A.23, Subdivision 1; and Chapter 65A, by adding sections."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Olson from the Committee on General Legislation and Administrative Rules, to which was referred

H. F. No. 976: A bill for an act relating to bingo; raising the compensation allowed persons conducting a bingo occasion; amending Minnesota Statutes 1978, Section 349.17, Subdivision 1.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Davies from the Committee on Judiciary, to which was re-referred

S. F. No. 334: A bill for an act relating to education; requiring the expungement of certain material from the files of certain supervisory employees; amending Minnesota Statutes 1978, Sections 125.12, Subdivision 14 and 125.17, Subdivision 12.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 14, strike "his"

Page 1, line 18, strike "his"

Page 2, line 6, after the stricken word "employees" insert "; provided, the grievance procedure promulgated by the director of the bureau of mediation services, pursuant to section 179.71, subdi-

*vision 5, clause (i), shall apply to those principals and supervisory employees not included in an appropriate unit as defined in section 179.63, subdivision 1"*

Page 3, line 1, after the stricken word "employees" insert "*provided, the grievance procedure promulgated by the director of the bureau of mediation services, pursuant to section 179.71, subdivision 5, clause (i), shall apply to those principals and supervisory employees not included in an appropriate unit as defined in section 179.63, subdivision 1"*

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Hughes from the Committee on Education, to which was referred

H. F. No. 455: A bill for an act relating to education; providing equal opportunity for members of both sexes to participate in certain athletics; modifying the coverage and terms of the current law providing for equal opportunity in certain athletics; requiring the state board of education to promulgate certain rules and giving it exclusive jurisdiction over certain sex discrimination charges; providing for the rights of certain parties in the case of certain sex discrimination charges; amending Minnesota Statutes 1978, Sections 126.21 and 363.02, Subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1978, Section 126.21, is amended to read:

126.21 [ATHLETIC PROGRAMS; SEX DISCRIMINATION.] Subdivision 1. [POLICY.] *The legislature recognizes certain past inequities in access to athletic programs and in the various degrees of athletic opportunity previously afforded members of each sex. The purpose of this section is to provide an equal opportunity for members of both sexes to participate in athletic programs.*

*Subd. 2. Each educational institution or public service shall provide equal opportunity for members of both sexes to participate in its athletic program. In determining whether equal opportunity to participate in athletic programs is available for the purposes of this section, at least the following factors shall be considered to the extent that they are applicable to a given situation: whether males and females participate in the athletic program in a proportion reflecting the demonstrated interest in athletics of the males and females in the student body of the educational institution or the population served by the public service; whether the variety and selection of sports and levels of competition effectively accommodate the demonstrated interests of members of both sexes; the provision of equipment and supplies; scheduling of games and practice times; assignment of coaches; provision of locker rooms; practice and competitive facilities; and the provision of necessary funds for teams of one sex.*

*Subd. 3. Notwithstanding any other state law to the contrary, in athletic programs operated by educational institutions or public services and designed for participants 12 years old or older or in the seventh grade or above, it is not an unfair discriminatory practice: (1) to restrict membership on an athletic team to participants of one sex, if this restriction is necessary to provide members of each sex with an equal opportunity to participate in the athletic program; provided, if a membership restriction on the basis of sex results in the operation of two teams in the same sport which are separated or substantially separated according to sex, the two teams shall be operated in compliance with all the provisions of clause (2) that:*

*(1) when an educational institution or a public service operates a team in a particular sport for members of one sex but operates no team in that sport for members of the other sex and when athletic opportunities for members of the excluded sex have previously been limited, members of the excluded sex must be allowed to try out for the team offered ; or and*

*(2) to provide when two teams in the same sport which are in fact separated or substantially separated according to sex, if the two teams are shall be provided with substantially equal budgets per participant, exclusive of gate receipts and other revenues generated by that sport, and in all other respects are shall be treated in a substantially equal manner. The two teams shall be operated separately only in those activities where separation is necessary to provide the members of each sex equal opportunity to participate in the athletic program.*

*Subd. 4. When an equal opportunity to participate in the athletic program of an educational institution or public service is not provided to members of a sex whose athletic opportunities have previously been limited, that educational institution or public service shall, where there is demonstrated interest, provide separate teams for members of the excluded sex in sports which it determines will provide members of that excluded sex with an equal opportunity to participate in its athletic program and which will attempt to accommodate their demonstrated interests.*

*Subd. 2 5. The state board of education, in consultation with the commissioner of human rights shall promulgate rules in accordance with chapter 15 to implement this section to prevent discrimination in elementary and secondary school athletic programs operated by educational institutions. Any organization, association or league entered into by educational institutions elementary or secondary schools or public services for the purpose of promoting sports or adopting rules and regulations for the conduct of athletic contests between members shall effective July 1, 1976 provide rules and regulations and conduct its activities so as to permit its members to comply fully with this section subdivision 1 and section 363-03, subdivisions 4 and 5. The rules of that organization, association or league shall not require its members to restrict membership on an athletic team to participants of one sex when athletic opportunities for members of the excluded sex have*

previously been limited; however, its rules may prohibit a participating student from competing on more than one school team in a given sport during a single school year. Notwithstanding any delegation of authority or adoption of rules, policies or guidelines pursuant to section 129.121, decisions on the following matters shall be made by each educational institution: (1) whether to limit a team to members of one sex when athletic opportunities for members of the excluded sex have previously been limited; (2) whether to have a coeducational team in an individual sport; and (3) whether to have teams in the same individual sport, which are limited to members of one sex, compete during the same season.

Subd. 3. Educational institutions and public services shall make every reasonable effort to provide substantially equal budgets per participant pursuant to subdivision 1 during the school year 1975-1976, and thereafter shall provide substantially equal budgets per participant pursuant to subdivision 1. Educational institutions and public services shall phase out separation based on sex in athletic programs designed for participants 11 years old or younger and in the sixth grade or below during the school years 1975-1976, 1976-1977, and 1977-1978, and thereafter shall comply fully with subdivision 1 and section 363.03, subdivisions 4 and 5.

Sec. 2. Minnesota Statutes 1978, Section 129.121, is amended by adding a subdivision to read:

Subd. 5. *For the purposes of section 471.705, the Minnesota state high school league shall be deemed to be a state agency required by law to transact business in meetings open to the public.*

Sec. 3. Minnesota Statutes 1978, Section 363.02, Subdivision 3, is amended to read:

Subd. 3. [EDUCATION.] (a) It is not an unfair discriminatory practice for a religious or denominational institution to limit admission or give preference to applicants of the same religion. The provisions of section 363.03, subdivision 5, relating to sex, shall not apply to a private educational institution, or branch or level of a private educational institution, in which students of only one sex are permitted to enroll. Nothing in this chapter shall be construed to require any educational institution to provide any special service to any person because of the disability of such person or to modify in any manner its buildings, grounds, facilities, or admission procedures because of the disability of any such person. Nothing in this chapter shall prohibit an educational institution from discriminating on the basis of academic qualifications or achievements or requiring from applicant's information which relates to academic qualifications or achievements.

(b) *Notwithstanding any other provisions of this chapter or any law to the contrary, it is not an unfair discriminatory practice for an educational institution or a public service to operate or sponsor separate athletic teams and activities for members of each sex or to restrict membership on an athletic team to participants of one sex, if this separation or restriction meets the requirements of section 126.21.*

*(c) The department of human rights shall investigate all charges alleging sex discrimination in athletic programs in educational institutions and public services pursuant to the standards and requirements of section 126.21 and the procedures enumerated in chapter 363."*

Amend the title as follows:

Page 1, line 7, after "education" insert "in consultation with the commissioner of human rights"

Page 1, line 8, delete "and giving it exclusive jurisdiction over"

Page 1, line 9, delete "certain sex discrimination charges"

Page 1, line 11, after the semicolon, insert "requiring the Minnesota state high school league to transact business in an open meeting;"

Page 1, line 12, before "and" insert "; 129.121, by adding a subdivision;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Olson from the Committee on General Legislation and Administrative Rules, to which was referred the following appointment as reported in the Journal for April 16, 1979:

#### **BOARD OF THE ARTS**

Katherine Murphy

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Coleman moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Olson from the Committee on General Legislation and Administrative Rules, to which was referred the following appointment as reported in the Journal for April 19, 1979:

#### **BOARD OF THE ARTS**

Carole R. Achterhof

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Coleman moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Coleman from the Committee on Rules and Administration, to which was referred

H. F. No. 1226 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

**GENERAL ORDERS      CONSENT CALENDAR      CALENDAR**

H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
1226	1363				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which were referred

H. F. Nos. 772, 1227, 1386 for comparison with companion Senate Files, reports the following House Files were found not identical with their companion Senate Files as follows:

**GENERAL ORDERS      CONSENT CALENDAR      CALENDAR**

H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
772	940				
1227	1362				
1386	1211				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 772 be amended as follows:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1978, Section 160.20, is amended by adding a subdivision to read:

*Subd. 3. [INSTALLATION OF DRAIN TILE ALONG OR ACROSS HIGHWAY RIGHT-OF-WAY.] (a) When the course of natural drainage of any land runs to a highway, the owner of the land who has been granted a permit as provided in this subdivision may install drain tile along or across the highway right-of-way along the general course of the natural drainageway, provided further that there will be no diversion of drainage waters away from the natural receiving drainageway immediately downstream from the highway. Any installation shall be made in accordance with specifications set forth in the permit and any rules that apply to the installations. When any installation is made pursuant to this subdivision the highway shall be left in as good condition in every respect as it was before the installation was made.*

*(b) Any road authority may accept applications for permits for installation of drain tile along or across the right-of-way of a highway under its jurisdiction. The road authority may adopt reasonable rules for the installations and may require a bond before granting any permit. Permits for installation along a highway right-of-way shall insure that the length of the installation is restricted to the minimum necessary to achieve the desired agricultural benefits. No permit shall allow any open trenches to*

*be left on the right-of-way after installation of drain tile is completed. A road authority that grants a permit for drain tile installation shall not be responsible for any damage to that installation resulting from the action of the authority or any other permittee utilizing the right-of-way.*

*(c) Any person who installs drain tile along or across a highway right-of-way without obtaining a permit as provided in this subdivision is guilty of a misdemeanor.*

*(d) The commissioner shall take no action pursuant to this subdivision which will result in the loss of any federal aid for highway construction in this state.*

*(e) For the purpose of this subdivision "highway" means any highway as defined in chapter 160 which is located outside the corporate limits of any home rule charter or statutory city.*

*(f) The road authority having jurisdiction will issue no permit for installation of new drainage tile which facilitate the drainage of public waters unless a permit has first been issued by the commissioner of natural resources pursuant to section 105.42."*

Further, amend the title as follows:

Page 1, line 3, delete "in" and insert "along and across" and after "right-of-way" insert "under certain conditions; prescribing a penalty"

And when so amended H. F. No. 772 will be identical to S. F. No. 940, and further recommends that H. F. No. 772 be given its second reading and substituted for S. F. No. 940, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 1227 be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1978, Section 253A.21, Subdivision 5, is amended to read:

Subd. 5. The commissioner or any other aggrieved party may appeal to the district court from any order entered under sections 253A.01 to 253A.21 in the manner prescribed in section 487.39.

Upon perfection of the appeal, the return shall be filed forthwith. The district court shall ~~give hear~~ the appeal ~~preference over every other proceeding therein~~ within 20 days after service of the notice of appeal. ~~Such~~ This appeal shall not suspend the operation of the order appealed from until the appeal is determined, unless otherwise ordered by the district court. Notwithstanding any contrary provision in section 487.39, an appeal may be taken from the determination of a district court judge to the supreme court without leave of the supreme court in cases in which the district court upholds an order committing a person under section 253A.07, subdivision 17, or an order denying a petition under section 253A.19."

Further, amend the title as follows:

Page 1, line 2, after "for" insert "district court"

Page 1, line 3, after "hearing" insert "of"

Page 1, line 3, after "the" insert "Minnesota"

And when so amended H. F. No. 1227 will be identical to S. F. No. 1362, and further recommends that H. F. No. 1227 be given its second reading and substituted for S. F. No. 1362, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 1386 be amended as follows:

Page 2, line 12, delete ", except"

Page 2, delete line 13

Page 2, line 14, delete "1, 1980"

And when so amended H. F. No. 1386 will be identical to S. F. No. 1211, and further recommends that H. F. No. 1386 be given its second reading and substituted for S. F. No. 1211, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which was referred

H. F. No. 261 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
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H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
261	859				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 261 be amended as follows:

Strike all the language after the enacting clause of H. F. No. 261 and insert the language after the enacting clause of S. F. No. 859, as amended by the Committee on Energy and Housing, adopted by the Senate April 19, 1979; further, strike the title of H. F. No. 261 and insert the title of S. F. No. 859, as amended.

And when so amended H. F. No. 261 will be identical to S. F. No. 859, and further recommends that H. F. No. 261 be given its second reading and substituted for S. F. No. 859, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.



Mr. Coleman from the Subcommittee on Bill Scheduling, to which were referred S. F. Nos. 679, 680, 481 and H. F. Nos. 325, 642, 60, 988, 1029, 656, 1033, 606, 1245, 1256, 1377, 1251 makes the following report:

That the above Senate Files and House Files be placed on the General Orders Calendar in the order indicated.

That there were no other bills before the Subcommittee on which floor action was requested. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which was referred

Senate Concurrent resolution No. 10: A Senate concurrent resolution designating May 1st as Law Day.

Reports the same back with the recommendation that the resolution be adopted.

Mr. Coleman moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Coleman from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S. F. No. 1390: A bill for an act relating to taxation; providing for an annual adjustment of the excise tax on gasoline and special fuel based on changes in the consumer price index; amending Minnesota Statutes 1978, Section 296.02, Subdivision 1; and Chapter 296, by adding a section.

Reports the same back with the recommendation that the report from the Committee on Transportation shown in the Journal for April 26, 1979 "And when so amended the bill do pass" be adopted and the bill re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S. F. No. 129: A bill for an act relating to reapportionment of legislative and congressional districts; proposing an amendment to the Minnesota Constitution, Article IV, Section 3, to permit the creation by law of a commission to reapportion congressional or legislative districts, or both; establishing standards for legislative districts.

Reports the same back with the recommendation that the report from the Committee on Governmental Operations shown in the Journal for April 30, 1979 "And when so amended the bill do pass" be adopted and the bill re-referred to the Committee on Rules and Administration. Amendments adopted. Report adopted.

**SECOND READING OF SENATE BILLS**

S. F. Nos. 1539, 1540, 623, 1339, 1327 and 334 were read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

**SECOND READING OF HOUSE BILLS**

H. F. Nos. 1226, 772, 1227, 1386 and 261 were read the second time.

H. F. Nos. 936, 227, 976 and 455 were read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

**MOTIONS AND RESOLUTIONS**

Mr. Dieterich moved that the name of Mr. Sieloff be added as co-author to S. F. No. 1211. The motion prevailed.

Mr. Knoll moved that the committee report on Senate Concurrent Resolution No. 10 be taken from the table. The motion prevailed.

Senate Concurrent Resolution No. 10: A Senate concurrent resolution designating May 1st as Law Day.

Mr. Knoll moved the adoption of the foregoing committee report. The motion prevailed. Report adopted.

Mr. Knoll moved the adoption of Senate Concurrent Resolution No. 10. The motion prevailed. So the resolution was adopted.

Mr. Schaaf introduced—

Senate Resolution No. 28: A senate resolution expressing appreciation to Mr. Edward G. Novak, in recognition of his contribution to the people of Minnesota in the field of criminal justice.

WHEREAS, Mr. Edward G. Novak has been a faithful and highly respected administrator in the field of criminal justice, serving as commissioner of the department of public safety for many years; and,

WHEREAS, the Minnesota Senate wishes to formally recognize the important contribution made by Mr. Novak to the preservation and enhancement of the safety of the citizens of Minnesota through the implementation and support of programs including multijurisdictional narcotics and contraband investigation, arson training and investigation, police training, and statewide law enforcement communications; NOW, THEREFORE,

BE IT RESOLVED, by the Senate of the State of Minnesota that an expression of gratitude and appreciation is extended in recognition of his services to the State of Minnesota.

BE IT FURTHER RESOLVED, that the Secretary of the Senate present an enrolled copy of this resolution to Mr. Edward G. Novak.

Mr. Schaaf moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

Mr. Moe moved that H. F. No. 1526 be taken from the table. The motion prevailed.

H. F. No. 1526: A bill for an act relating to the organization and operation of state government; appropriating money for education and related purposes with certain conditions, including the department of education, aids to libraries, higher education coordinating board, state universities, community colleges, and the university of Minnesota and its hospitals; amending Minnesota Statutes 1978, Sections 120.81, Subdivision 2; and 124.572, by adding a subdivision.

### SUSPENSION OF RULES

Mr. Moe moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H. F. No. 1526 and that the rules of the Senate be so far suspended as to give H. F. No. 1526 its second and third reading and place it on its final passage. The motion prevailed.

H. F. No. 1526 was read the second time.

Mr. Moe moved to amend H. F. No. 1526 as follows:

Delete everything after the enacting clause and insert:

"Section 1. [EDUCATION; APPROPRIATIONS.] The sums set forth in the columns designated "APPROPRIATIONS" are appropriated from the general fund, or any other fund designated, to the agencies and for the purposes specified in the following sections of this act, to be available for the fiscal year indicated for each purpose. The figures "1979", "1980", and "1981", wherever used in this act, mean that the appropriation or appropriations listed thereunder or therefor shall be available for the year ending June 30, 1979, June 30, 1980, or June 30, 1981, respectively.

### SUMMARY BY FUND

	1979	1980	1981	TOTAL
General		\$382,764,100	\$372,974,481	\$755,738,581
Tr. Hwy.		15,700	15,700	31,400
Prm. Univ.		2,500,000	2,500,000	5,000,000

### APPROPRIATIONS

Available for the Year

Ending June 30,  
1980                  1981

\$

\$

Sec. 2. DEPARTMENT OF EDUCATION

	1980	1981
	\$	\$
Subdivision 1. General Operations and Management .....	22,487,300	21,664,000

### Approved Complement

State—550.67

Federal—212.72

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

Subd. 2. Special and Compensatory Education .....	5,553,600	5,456,500
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Of this appropriation, \$650,000 each year is for Indian scholarships. Any unexpended balance remaining in the first year does not cancel but is available for the second year of the biennium.

\$109,300 the first year is for repair and purchase of equipment at the Minnesota School for the Deaf, the Minnesota Braille and Sight-Saving School, and the Regional Library for the Blind. Any unexpended balance remaining in the first year does not cancel but is available for the second year of the biennium.

Subd. 3. Vocational Technical Instruction .....	3,438,900	2,651,000
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(a) \$275,000 the first year is for the Minnesota instructional materials center.

(b) \$168,800 the first year is for the vocational student organization center.

(c) \$201,100 the first year is for area agricultural coordinators.

(d) \$150,000 the first year is for the statewide curriculum articulation center.

(e) The amounts in (a), (b), (c), and (d) shall be spent pursuant to agreements between the state board of education and the recipients. The agreements are not subject to the contract approval procedures of the department of administration.

	1980	1981
\$		\$

Until June 30, 1980, the state board of education may charge fees to users of these services designed to cover the cost to the department of education of duplication and distribution, plus ten percent. Receipts shall be deposited in the general fund.

Before January 15, 1980, the department of education shall provide a report to the appropriate committees of the legislature in regard to the activities of each of these services and make recommendations regarding the future need for these services, possibilities for alternative funding, and alternative methods of administration.

(f) Federal money received for state vocational education programs pursuant to the Vocational Education Act of 1963, Section 120, and required to be used for vocational education of the disadvantaged and handicapped shall be used only for grants and not for state administrative costs. This does not limit the use of grant money by a school district for its own administrative costs if otherwise permitted by federal law. The remainder of section 120 money not required to be used for eliminating sex bias in vocational education shall be used for grants for post-secondary vocational categorical aid.

Subd. 4. Special Services .....	1,708,800	1,715,800
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Subd. 5. Instructional Services ....	1,321,700	1,321,700
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Of the amounts provided by this subdivision, \$15,700 in 1980 and \$15,700 in 1981 are from the trunk highway fund.

Subd. 6. School Management Services.	8,315,000	8,388,700
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The commissioner of education with the approval of the commissioner of finance may transfer appropriations from other programs to the school management services program to support up to four positions that may be transferred to this program during the biennium. All transfers shall be reported forthwith to the

	1980	1981
	\$	\$

committee on finance of the senate and the committee on appropriations of the house of representatives.

(a) Salaries, Supplies, and Expenses

\$2,980,400	\$2,907,400
-------------	-------------

\$678,100 the first year and \$619,100 the second year is for redesign of the department's management information system. Any unencumbered balance remaining for this purpose in the first year does not cancel but is available for the second year of the biennium.

(b) Claims, Grants, and Shared Revenue

\$5,334,600	\$5,481,300
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\$4,140,000 in 1980 and \$1,371,300 in 1981 is for support of regional management information centers.

\$1,194,600 in 1980 and \$1,371,300 in 1981 is for instructional timesharing telecommunications costs.

The department of education in consultation with MECC shall submit to the chairman of house appropriations and the chairman of senate finance no later than July 15 and December 31 of each year a progress report, proposed plans, and expenditures.

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

Subd. 7. Auxiliary and General Support Services .....	2,149,300	2,130,300
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Subd. 8. Federal money received for strengthening state education agencies pursuant to the Elementary and Secondary Education Act of 1965, Title 4C, as amended, or pursuant to the Education Amendments of 1978, Section 404, Paragraph (a), Clause (9), or Title 5, Part B, shall be spent only in accordance with the allocation plan for Title 4C money as approved by the conferees of the senate and house of representatives, or as amended

	1980	1981
	\$	\$
by the governor after consultation with the legislative advisory commission.		
Subd. 9. Civil Service Salary and Fringe Adjustments .....	.....	.....
Of the amount provided by this subdivision, \$..... in 1980 and \$..... in 1981 is appropriated from the trunk highway fund.		
Subd. 10. The department of education shall not use any federal or other money for the purpose of continuing any positions that have been deleted from the department's complement as shown on official conference committee work papers.		
<b>Sec. 3. HIGHER EDUCATION CO-ORDINATING BOARD</b>		
Subdivision 1. General Operations and Management .....	45,924,200	44,840,300
The amounts that may be expended from this appropriation for each purpose are more specifically described in the following subdivisions of this section.		
Subd. 2. Salaries and Expenses.....	1,624,100	1,837,600
This appropriation includes money for the administration of the state scholarship, state grant-in-aid, student loan, and private college contracts.		
Any unexpended balance remaining in the first year shall not cancel but shall be available for the second year of the biennium.		
Subd. 3. State Scholarship, Nurses Scholarship and State Grant-In-Aid....	23,325,300	23,000,000
Subd. 4. Part Time Student Subsidy..	375,000	375,000
Subd. 5. Special Assistance.....	390,000	68,800
Subd. 6. Interstate Tuition Reciprocity .....	10,075,500	9,363,000
Subd. 7. State Work Study.....	2,600,000	2,600,000
Subd. 8. Medical Student Loans.....	134,000	153,000
Subd. 9. AVTI Tuition Subsidy.....	1,792,500	1,792,500
Subd. 10. Private College Contracts..	4,800,000	4,800,000

	1980	1981
	\$	\$
Subd. 11. Regional Coordination and Service .....	234,200	234,200
Subd. 12. Minitex Library Program...	475,000	515,000
Subd. 13. Southwest and West Central Consortium .....	53,600	56,200
Subd. 14. Federal Small Business Institutes—State Matching .....	45,000	45,000

If an appropriation in subdivisions 3, 4, 5, 6 and 9 for either year is insufficient, the appropriation for the other year is available for it.

Any unexpended balances in subdivisions 7, 10, 11, 12, 13 and 14 remaining in the first year shall not cancel but shall be available for the second year of the biennium.

The Higher Education Coordinating Board shall conduct a study of the salaries and fringe benefits of unclassified professional employees in public and private post secondary education in Minnesota. The study shall examine existing compensation patterns in each system and institution as related to sex, rank, length of service, term of employment, professional preparation, and conditions of employment specified in any collective bargaining agreements. The study shall relate compensation to total educational costs, including, but not limited to long range enrollment projections, faculty student ratio, and the geographic distribution of institutional and faculty resources. The study shall also examine the amount of earned income of unclassified employees in public post secondary education from other sources.

A report of the study shall be made to the legislature not later than July 1, 1980.

#### Sec. 4. STATE UNIVERSITY BOARD

Subdivision 1. General Operations and Management .....	70,545,900	68,678,300
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The amounts that may be expended from this appropriation for each purpose are



	1980	1981
	\$	\$
more specifically described in the following subdivisions of this section.		
Subd. 2. Maintenance and Equipment .....	68,238,200	67,120,600

Within the funds appropriated for the purpose by the 71st legislature, the commissioner of personnel and the state university board are authorized to implement those provisions of the collective bargaining agreements negotiated with the authorized employee representatives which establish wages and economic fringe benefits.

The amounts appropriated in subdivisions 2 and 3 include a sum in each year for recruitment of unclassified staff.

The provisions of said Collective Bargaining Agreements establishing severance pay are approved notwithstanding the provisions of Minnesota Statutes 1978, Section 43.17.

Notwithstanding any other law to the contrary, until June 30, 1981 the state university board may purchase such insurance coverage as it deems necessary and appropriate for activities ancillary to the programs of the state universities.

Subd. 3. State University Board Contingent .....	750,000	
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Any unexpended balance remaining in the first year shall not cancel but shall be available for the second year of the bien-nium.

This appropriation shall be expended with the approval of the governor after consultation with the legislative advisory commission as provided by Minnesota Statutes, Section 3.30.

Subd. 4. Federal Student Loans—State Matching .....	175,000	175,000
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Subd. 5. Federal Work Study—State Matching .....	518,000	518,000
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Any unexpended balances in subdivisions 4 and 5 remaining in the first year shall

	1980	1981
\$		\$

not cancel but shall be available for the second year of the biennium. In the event that the amounts appropriated are insufficient to fully match federal moneys available, the state university board may transfer moneys from funds appropriated in subdivision 1 or subdivision 3 to this program. No portion of the appropriation shall be used to defray obligations incurred prior to July 1, 1979.

Subd. 6. Repairs and Betterments . . .	864,700	864,700
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Any unexpended balance remaining in the first year shall not cancel but shall be available for the second year of the biennium.

The state university board, with the concurrence of the commissioner of finance and the chairmen of senate finance and house appropriations committees, may transfer excess fuel and utility funds appropriated in subdivision 1 to the repair and betterment account to fund energy conservation related building repairs and improvements.

Subd. 7. Notwithstanding any other law to the contrary, the state university board may equip the residence halls operated under the auspices of its revenue fund with suitable area smoke detection devices and fire alarms.

Subd. 8. The provisions of Minnesota Statutes, Chapters 15A and 43 notwithstanding, the state university board may establish executive salaries within the state university system in accordance with a management compensation plan based on the level of responsibility and authority of various positions as well as appropriate market comparisons with similar positions in comparable public colleges and universities in the midwest.

The salary of the chancellor shall serve as the upper limit of compensation for all other positions in the state university system and shall not exceed \$ . . . . . in fiscal year 1980 and \$ . . . . . in fiscal year 1981.

	1980	1981
\$		\$

The state university board shall survey compensation levels in comparable public colleges and universities in the midwest during the 1979-81 biennium and report necessary adjustments in the above level of compensation to the governor and legislature as part of its 1981-83 biennial budget request.

Subd. 9. A report shall be submitted to the 72nd session of the legislature as to the use of all money exempt from budgetary control by the commissioner of finance pursuant to Minnesota Statutes, Sections 136.11, Subdivision 5; 136.144; and 136.37.

#### Sec. 5. STATE COMMUNITY COLLEGE BOARD

Subdivision 1. General Operations and Management .....	33,223,000	31,739,700
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The amounts that may be expended from this appropriation for each purpose are more specifically described in the following subdivisions of this section.

Subd. 2. Operations and Maintenance	31,527,100	30,768,800
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This appropriation is for maintenance and equipment of the state community college board and the state community colleges. The state community colleges are encouraged to use off-campus courses to extend the benefits of this appropriation to as many Minnesota residents as possible.

Notwithstanding any other law to the contrary, the community college board may purchase such insurance coverage as it deems necessary and appropriate for activities ancillary to the programs of the state community colleges.

Subd. 3. Program Development.....	300,000
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Prior to use of this appropriation the chancellor of the community college system shall submit the proposed program and expenditures for review by the chairmen of the house appropriations and senate finance committees.

	1980	1981
	\$	\$
Subd. 4. Learning Centers.....	211,300	211,300
The board shall report to the committee on finance of the senate and the committee on appropriations of the house of representatives by March 1, 1980 for the first year and January 1, 1981 for the second year on the use of the money in this appropriation.		
Subd. 5. Federal Student Loan—State Matching .....	70,000	70,000
Subd. 6. Federal Work Study State Matching .....	291,500	291,500
In the event that the amounts appropriated are insufficient to fully match federal moneys available, the community college board may transfer money available from the funds appropriated in subdivision 2 to this program.		
Subd. 7. State Community College Board Contingent .....	300,000	
This appropriation shall be expended with the approval of the governor after consultation with the legislative advisory commission, as provided by Minnesota Statutes, Section 3.30.		
Subd. 8. Repairs and Betterments...	398,100	398,100
Any unexpended balances remaining in subdivisions 3, 4, 5, 6, 7 and 8 in the first year shall not cancel but shall be available for the second year of the biennium.		
Subd. 9. Special Assessments.....	125,000	
In view of declining enrollments in some community colleges, the state board for community colleges, with the assistance of the higher education coordinating board, shall conduct a study of, and make recommendations in regard to, the advisability of 1) discontinuance or reduction of programs, activities, and services, 2) closing of colleges, 3) consolidation or merger, or both of community colleges, 4) merger of community colleges with other post secondary in-		

	1980	1981
	\$	\$

stitutions, and 5) other appropriate alternatives.

A report of the study shall be transmitted to the house appropriation committee and senate finance committee by January 6, 1981.

Sec. 6. UNIVERSITY OF MINNESOTA .....	209,198,800	204,531,581
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The amounts that may be expended from this appropriation for each purpose are more specifically described in the following three sections of this act.

#### Sec. 7. UNIVERSITY OF MINNESOTA: GENERAL

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

Subdivision 1. Operations and Maintenance .....	166,813,533	163,801,093
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These appropriations are made from:

(a) Income derived from investment of the permanent university fund, which is appropriated to the university as provided in Minnesota Statutes, Section 137.022. It is estimated that this income will not exceed \$2,500,000 for the first year and \$2,500,000 for the second year; and

(b) The general fund. It is estimated that the amount required from the general fund will be at least \$164,313,533 for the first year and \$161,301,093 for the second year.

The university is authorized to retain five percent of the indirect cost recoveries and the amount shall be expended to improve its ability to attract non-state money. A report on the expenditures of this money, with an analysis of apparent results shall accompany the university's annual report on expenditure of excess receipts.

On October 1, 1980 and 1981 the president of the university of Minnesota shall

	1980	1981
	\$	\$

furnish the house appropriations and senate finance committees and the commissioner of finance the following information:

(1) The total amount of receipts during the fiscal year 1980 from all sources in excess of \$75,376,100 and during the fiscal year 1981 from all sources in excess of \$79,621,700;

(2) The sources of these receipts; and

(3) The purposes for which any excess receipts were expended and accounts to which transferred.

The board of regents shall certify to the commissioner of finance at the end of each quarter the amount of earnings derived from the investment of the permanent university fund. If this income during any fiscal year exceeds the amounts stated in (a) above, the amount payable from the general fund shall be reduced accordingly.

In preparing the university's legislative budget request for the 1981-1983 biennium, all projected income from student tuition shall be based on a charge per credit hour schedule.

Any excess money in the above appropriation resulting from delayed completion or occupancy of new space as projected in the budget document is cancelled to the general fund.

The university is directed to take the necessary steps to maintain faculty salary equalization among the twin cities and coordinate campuses.

Subd. 2. Equipment Replacement....	1,000,000	1,000,000
Subd. 3. Student Loans—State Matching .....	250,000	250,000

This appropriation shall be used as the state's matching share for any federal student aid or loan program. Any unexpended balance remaining in the first year shall not cancel but shall be available for the second year of the biennium.

	1980	1981
	\$	\$
Subd. 4. Disadvantaged Students....	500,000	500,000
Subd. 5. Library Supplement.....	1,644,900	1,706,400
Subd. 6. Intercollegiate Athletics....	1,158,577	1,427,298

This appropriation shall be used for the support of women's intercollegiate athletic programs.

Subd. 7. Summer School Tuition and Continuing Education Supplement ....	1,092,000	1,092,000
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The board of regents shall expend this money to equalize tuition rates among undergraduate students for regular session, summer session and extension programs in order to facilitate to the maximum the use of campus units, buildings and staff.

Subd. 8. Family Practice and Graduate Residency Program .....	3,419,200	3,419,200
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All hospitals receiving any portion of this appropriation shall furnish the house appropriations and senate finance committees with a full report by March 1, 1980, on all actual and reasonable costs resulting from graduate family practice residency education, and all fees and income to the hospital generated by the graduate residents in family practice and the purposes for which this money was expended. Expenditures from this appropriation shall be made only for activities directly related to the training of doctors in family practice.

Subd. 9. Medical Services and Instruction .....	1,461,680	1,576,680
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This appropriation includes money for the rural health physicians' associate program, drug abuse information and education, and public health and nurse clinician generalist program.

Subd. 10. Health Sciences Contingent.	2,100,000	
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Portions or all of the above appropriation are available upon submission of required documentation that federal health sciences capitation money has been reduced or phased out. Replacement of any capitation grant losses or reductions shall

	1980	1981
	\$	\$

be computed by using the fiscal year 1976 level as the base year. The replacement will be adjusted to reflect faculty and civil service salary increases granted to the university for the 1979-81 biennium. All requests shall be reviewed by the chairmen of the house appropriations and senate finance committees whose recommendations are advisory only. Failure to make a recommendation promptly is deemed a negative recommendation.

**Subd. 11. Duluth Campus**

(a) Basic Sciences Program for Medical Training .....	2,248,210	2,248,210
(b) Dental Hygiene Program.....	230,000	230,000
(c) Graduate School of Social Work....	438,100	438,100

**Sec. 8. UNIVERSITY OF MINNESOTA: RESEARCH**

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

Subdivision 1. General Research.....	1,784,000	1,784,000
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This appropriation is, as the board of regents may direct, for general research, business and economic research including Duluth, training for careers in fire prevention and protection, center for urban and regional affairs, museum of natural history, and juvenile justice seminar.

Subd. 2. Mineral Resource Research Center .....	300,000	300,000
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Subd. 3. General Agricultural Research .....	7,584,500	7,584,500
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This appropriation includes money for research on aquatic plants (including wild rice), soybeans, avian disease, swine disease, corn improvement and irrigation

Subd. 4. Hormel Institute—Austin... To support the operation of the institute and to promote research by the institute.	129,400	129,400
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Subd. 5. Medical Research.....	1,511,000	1,511,000
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	1980	1981
\$		\$
Subd. 6. Veterinary Diagnostic Laboratory and Teaching Hospital.....	891,300	891,300
Subd. 7. Geological Survey.....	501,000	501,000
Subd. 8. Lake Superior Basin Studies.....	67,500	67,500
Subd. 9. Sea Grant.....	100,000	100,000
Subd. 10. Freshwater Biological Research Institute .....	200,400	200,400

### Sec. 9. UNIVERSITY OF MINNESOTA: COMMUNITY SERVICES

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

Subdivision 1. Agricultural Extension Service .....	7,189,700	7,189,700
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This appropriation includes money for agriculture extension work, county agricultural agents, home demonstration and 4-H club work, and soil conservation. Any salary increases granted by the university to personnel paid from this appropriation shall not result in a reduction of the county portion of the salary payments.

This appropriation includes money each year for the potato and sugar beet extension program in the Red River Valley, contingent on an equal amount being provided by the state of North Dakota.

Subd. 2. For State's Share of Expenses of County Indigent Patients .....	2,000,000	2,000,000
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Subd. 3. Special Hospitals, Community Service, and Educational Offset .....	6,466,300	6,466,300
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Fees for service furnished to counties and individuals under this program shall be sought to augment the money appropriated; the fees are appropriated to the university hospitals, to be available until June 30, 1981.

Subd. 4. University Galleries .....	45,000	45,000
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Subd. 5. Industrial Relations Education Program .....	435,400	435,400
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	1980	1981
	\$	\$
This appropriation includes money for short courses, programs, and seminars for labor and management.		
Subd. 6. Civil Service Base Adjustment .....	137,100	137,100

Subd. 7. The appropriations in section 7, subdivisions 2, 5, 8 and 11(a)(b)(c), section 8, subdivision 10, and section 9, subdivision 5 shall be merged with the general operations and maintenance appropriation in fiscal years 1980 and 1981.

#### Sec. 10. MAYO MEDICAL

Subdivision 1. Medical School .....	1,304,600	1,302,300
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The state of Minnesota shall pay a capitation of \$8,640 in fiscal year 1980 and \$9,160 in fiscal year 1981 for each student who is a resident of Minnesota for a maximum of 40 such students in each class.

Subd. 2. Family Practice and Graduate Residency Program .....	96,000	144,000
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The state of Minnesota shall pay capitation of \$12,000 each for eight students in fiscal year 1980 and twelve students in fiscal year 1981.

Sec. 11. Minnesota Statutes 1978, Section 120.81, Subdivision 2, is amended to read:

Subd. 2. Notwithstanding the provisions of subdivision 1, the consortium is authorized to maintain a revolving fund for all receipts derived from computer services provided by the consortium ~~and further provided that~~. *The Minnesota educational computing consortium shall charge users of consortium facilities for on-line computer time actually used. Receipts shall be deposited in the Minnesota educational computing consortium revolving fund and are appropriated to the consortium. The consortium board may establish one management position shall appoint an executive director who shall be its chief administrative officer. The executive director may be in the unclassified service. All other employees are in the classified service of the state.*

Sec. 12. [EMPLOYEES TRANSFERRED.] *On July 1, 1979, all employees of the Minnesota educational computing consortium, with the exception of the executive director, shall be transferred without competitive examination to the classified civil service of the state. Positions and employees shall be placed in the proper classifications by the commissioner of personnel with compensation as*

*those classifications carry. Employees above the maximum rate for their classifications shall receive no further salary increases, except for cost-of-living adjustments and those increases authorized by Minnesota Statutes, Section 43.122, Subdivision 1, until their salary rate falls within the range for their classification.*

*Incumbents of transferred positions shall receive the status and length of service credit that would have accrued to them had they originally been appointed to the classified civil service; however, the length of service shall not include seniority under the provisions of a collective bargaining agreement negotiated pursuant to section 179.61 to 179.77, until the effective date of classified civil service status. All of the employees' accrued vacation and sick leave shall be transferred to their credit, provided that in no event shall the amount transferred exceed state limitations for classified employees.*

**Sec. 13. Minnesota Statutes 1978, Section 124.572, is amended by adding a subdivision to read:**

*Subd. 10. State money shall not be used to pay for more than 75 percent of the Independent Telephone Communications Training Program and the Minnesota Electric Cooperative Linepersons Training Program. The appropriate industry or association shall pay at least 25 percent of the cost of each program.*

**Sec. 14. [124.625] [ON THE JOB TRAINING.]** *The commissioner of education shall continue the on the job training program. All receipts to the revolving fund for the on the job training program are appropriated to the commissioner to pay the necessary expenses of operation of the program. The department of education shall act as the state approving agency for purposes of 38 U.S.C. Chapter 36, relating to educational benefits for veterans and other persons. All federal money received for purposes of the on the job training program shall be deposited in the revolving fund for on the job training and are appropriated to the commissioner for those purposes.*

**Sec. 15. [PRIOR LAWS SUPERCEDED.]** *The provisions of the preceding section supercede and replace the provisions of Laws 1947, Chapter 599, Section 7, Clause 8, and Laws 1977, Chapter 449, Section 2, Subdivision 2, Clause (b), relating to the revolving fund for on the job training.*

**Sec. 16. Minnesota Statutes 1978, Section 123.38, Subdivision 3, is amended to read:**

**Subd. 3.** *The board may enter into a contract providing for the payment of cash benefits or the rendering or payment of hospital and medical benefits, or both to school children injured while participating in activities of the school, such contract to make the payment of such benefits or the rendering thereof the direct and sole obligation of the association or company entering into such contract with the district.*

*If the board deems it advisable, it may authorize employees to collect fees from the pupils enrolled in said school who are to be or are covered by such contract, and to make payment of the*

premium or other charge for such contract or protection. The payment of such premium or other charge may be made from funds received from the federal government or from the state or any governmental subdivision thereof, or from funds derived by a tax levy or the issuance of bonds.

The payment of any fees, premium or other charge by such child shall not thereby make the district liable for any injuries incurred from such school activities.

*The state board of education may purchase medical insurance coverage for the benefit of students of the school for the deaf or the braille and sight-saving school in the same manner and with the same effect as a school district board may do for its students under this subdivision.*

**Sec. 17. [136A.134] [SCHOLARSHIPS FOR STUDENTS OF MEXICAN, PUERTO RICAN, CUBAN OR SPANISH ANCESTRY.]** *Subdivision 1. The higher education coordinating board may award a scholarship to any American student of Mexican, Puerto Rican, Cuban or Spanish ancestry who is a Minnesota resident and who, in the board's opinion, can profit from post-secondary education at an institution at which a scholarship may be used. A scholarship shall be for post-secondary education in an eligible institution of the student's choice. A scholarship shall be used to pay any of the following educational costs: tuition, fees, books, supplies or room and board. The scholarship funds shall be paid to the eligible institution the student attends. The amount of each scholarship shall be determined by the board.*

*Subd. 2. For the purpose of this section, "eligible institution" has the meaning given it in Minnesota Statutes, Section 136A.101, Subdivision 4.*

*Subd. 3. A scholarship awarded pursuant to this section shall be awarded for one academic year but may be renewed, if the student continues to be a resident of Minnesota and continues to attend an eligible institution and to maintain satisfactory academic standing, until the student has received a scholarship a total of eight semesters or twelve quarters or their equivalent or until the student has reached the student's educational and vocational objective, whichever occurs first.*

*Subd. 4. This section shall not be construed to prohibit a student eligible to apply for a scholarship pursuant to this section from also applying for any other student financial aid for which the student is eligible. The board may take into account the amount of other financial aid awarded to the student in determining the amount of a scholarship pursuant to this section.*

**Sec. 18. [SMALL BUSINESS INSTITUTES; STATE MATCHING GRANTS.]** *The higher education coordinating board shall provide matching grants to colleges and universities in Minnesota that receive grants under the small business management assistance program of the federal Small Business Administration, as authorized by Pub. L. 85-536, as amended, Sections 2, 8 and 9; Pub. L. 88-452, as amended, Sections 401, 402, 406 and 407; or*

*any other federal law. The higher education coordinating board shall adopt rules to implement and administer the provisions of this section. The rules shall include procedures to be followed by colleges and universities in applying for matching grants, eligibility criteria not inconsistent with the objectives of this section, and guidelines for allocating grants if available appropriations are not sufficient to provide matching grants on a dollar for dollar basis to all qualifying institutions. Minnesota Statutes, Sections 15.0411 to 15.052 shall not apply to the adoption or amendment of these rules."*

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for education and related purposes, including the department of education, aids to libraries, higher education coordinating board, state universities, community colleges, and the university of Minnesota and its hospitals, with certain conditions; amending Minnesota Statutes 1978, Sections 120.81, Subdivision 2; 123.38, Subdivision 3; and 124.572, by adding a subdivision."

The motion prevailed. So the amendment was adopted.

H. F. No. 1526 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gearly	Laufenburger	Peterson	Staples
Ashbach	Gunderson	Lessard	Pillsbury	Stokowski
Bang	Hanson	Luther	Purfeerst	Strand
Benedict	Hughes	McCutcheon	Renneke	Stumpf
Bernhagen	Humphrey	Menning	Rued	Tennessee
Brataas	Jensen	Moe	Schaaf	Ueland, A.
Chenoweth	Johnson	Nelson	Schmitz	Ulland, J.
Coleman	Keefe, J.	Nichols	Setzepfandt	Vega
Davies	Kirchner	Ogdahl	Sieloff	Wegener
Dieterich	Kleinbaum	Olhoft	Sikorski	Willet
Dunn	Knaak	Olson	Sillers	
Engler	Knoll	Penny	Solon	
Frederick	Knutson	Perpich	Spear	

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

#### MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Moe moved that H. F. No. 1518 be taken from the table. The motion prevailed.

H. F. No. 1518: A bill for an act relating to the organization and operation of state government; appropriating money for welfare, corrections, health, and other purposes with certain conditions; providing appropriations for the departments of public welfare, economic security, corrections, corrections ombudsman, health, health related boards; amending Minnesota Statutes 1978, Sec-

tions 145.917, by adding a subdivision; and 145.921, by adding subdivisions; repealing Minnesota Statutes 1978, Section 145.921, Subdivisions 2 and 4.

### SUSPENSION OF RULES

Mr. Moe moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H. F. No. 1518 and that the rules of the Senate be so far suspended as to give H. F. No. 1518 its second and third reading and place it on its final passage. The motion prevailed.

H. F. No. 1518 was read the second time.

Mr. Moe moved to amend H. F. No. 1518 as follows:

Delete everything after the enacting clause and insert:

"Section 1. [WELFARE, CORRECTIONS, HEALTH; APPROPRIATIONS.] The sums set forth in the columns designated "APPROPRIATIONS" are appropriated from the general fund, or any other fund designated, to the agencies and for the purposes specified in the following sections of this act, to be available for the fiscal years indicated for each purpose. The figures "1979", "1980", and "1981", wherever used in this act, mean that the appropriation or appropriations listed thereunder shall be available for the year ending June 30, 1979, June 30, 1980, or June 30, 1981, respectively.

### SUMMARY BY FUND

	1979	1980	1981	TOTAL
General	\$6,109,000	\$614,367,200	\$650,503,700	\$1,270,979,900
Trk. Hwy.		\$ 278,000	\$ 278,000	\$ 556,000

### APPROPRIATIONS

Available for the Year

Ending June 30,

1980 1981

\$ \$

### Sec. 2. COMMISSIONER OF PUBLIC WELFARE

Subdivision 1. Total Department Appropriation ..... 516,420,700 557,064,500

Total Department

Approved Complement—6630.7

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

	1980	1981
	\$	\$
Subd. 2. Program and Administrative Support .....	22,143,700	23,618,500
Approved Complement—172.2		

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

Special County Aids

1980	1981
\$3,363,500	\$3,827,000

All payments from money appropriated for equalization aid shall be based upon a formula that includes four factors: recipient rate, per capita income, per capita taxable value, and per capita expenditures for welfare.

Salary expenditures for computation of equalization aid shall not be included for purposes of computing county per capita welfare costs or in county welfare costs.

Notwithstanding any law to the contrary, initial payments for equalization aid to counties shall be made on or before October 1, 1979, for fiscal year 1980 and on or before October 1, 1980, for fiscal year 1981. Final payments shall be made before January 1 of the following fiscal year.

For the purposes of equalization aid, welfare costs shall be deemed to include all forms of public assistance and the administrative costs thereof, to-wit: medical assistance, aid to dependent children, Minnesota supplemental assistance, payments to the commissioner of public welfare for care and treatment of patients in state institutions, medical relief, hospital charges, maintenance of children not under state guardianship, general assistance, and all administrative costs except university hospitals care, care of children under state guardianships, and poor burials.

No county shall be entitled to the benefits of this act if it has transferred any money available for welfare purposes to any

1980

1981

\$

\$

other county funds, except that where money is otherwise unavailable, a transfer may be made to the general revenue fund of the county for payment of rent of office space for the county welfare board. A transfer shall be made only with the approval of the governor after consultation with the Minnesota public relief advisory committee. Transfer of money for payment of rent shall not be considered an expenditure for equalization aid reimbursement. Any federal money received in lieu of taxes because of federal grants shall be available for welfare purposes.

No county shall receive from state money paid for equalization aid an amount in excess of 75 percent of its cost of welfare as defined in this subdivision.

Notwithstanding any law to the contrary, the formula used in this subdivision for equalizing welfare costs shall be used for computing distressed county aid for developmental achievement centers and community mental health centers.

Reimbursements for general relief—Indians and the Red Lake Band of Chippewa Indians shall be prorated if the appropriation made in this subdivision is insufficient to provide full reimbursement.

County Administrative Cost Reimbursement

\$14,000,000      \$15,000,000

Administrative Support

\$4,780,200      \$4,790,700

Estimated federal money to be deposited in the general fund that is earned by the various accounts of the department of public welfare is detailed on the worksheets of the conferees of the senate and house of representatives, a true copy of which is on file in the office of the commissioner of finance. If federal money anticipated is less than shown on the official worksheets, the commissioner of finance shall reduce the amount available



	1980	1981
\$		\$

from the specific appropriation by a like amount. The reductions shall be noted in the budget document submitted to the 72nd legislature in addition to an estimate of similar federal money anticipated for the 1981-1983 biennium.

Subd. 3. Social Services . . . . .	13,463,500	14,614,500
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#### Approved Complement—103.5

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

#### Day Care

\$1,161,600	\$1,161,600
-------------	-------------

#### Cost of Care—Emotionally Disturbed

\$1,307,500	\$1,569,000
-------------	-------------

#### Mentally Retarded

\$4,327,500	\$5,193,000
-------------	-------------

#### Aging, Blind, and Deaf Services

\$6,213,000	\$6,226,000
-------------	-------------

Notwithstanding any other law, no client receiving aid from services for the blind for purposes of vocational rehabilitation shall be required to maintain grade point ratios or other scholastic requirements in excess of the educational or vocational institutions requirements for all students attending such institutions.

Employees of the Communication Center for the Blind shall be transferred without competitive examination on July 1, 1979 to the classified civil service of the state within the department of public welfare. Positions and employees shall be placed in the proper classification by the commissioner of personnel with compensation as those classifications carry. Incumbents of transferred positions shall receive the status and length of service credit as would have accrued to them had they originally been appointed to the classified civil service; however, the length of service credit shall not include seniority under the provisions of a collective bargain-

1980

1981

\$

\$

ing agreement negotiated pursuant to sections 179.61 to 179.77, until the effective date of classified civil service status. All of the employee's accrued vacation and sick leave shall be transferred to their credit, provided that in no event shall the amount transferred exceed state limitations for classified employees.

Any permanent full time employee of the Communication Center for the Blind who was a permanent full time employee of the center on July 1, 1979, for whom the prior employment was not covered by the Minnesota state retirement system, may obtain allowable service credit in the Minnesota state retirement system by paying to the retirement system

(a) an amount equal to four percent of his or her current salary rate multiplied by the days and months of such prior service for which he or she desires to obtain allowable service credit plus (b) a matching amount representing the employer's required contributions, except that the department, at its option, may agree to pay the matching amount on behalf of its employees. Proof of prior permanent full time service and the duration thereof shall be established by the certification of the department to the executive director of the retirement system. The payments shall be made either in a lump sum or by payroll deduction arranged for on or before July 1, 1980. The department may use salary savings from this activity to pay the employee's matching contribution.

For the nutrition program, the commissioner of public welfare shall require that the cost of each meal provided shall be conspicuously posted in each facility where meals are served.

#### Social Services Support

\$ 453,900      \$ 464,900

The commissioner of public welfare shall not implement any rule which modifies the distribution of title XX funding to counties from that which was done in 1978.

	1980	1981
\$		\$

This appropriation includes an appropriation to the commissioner of public welfare from the general fund in the sum of \$25,000 for each year of the biennium for the purpose of providing a grant-in-aid to NewBridge, a protected shelter for juvenile females, for its activities to provide a program that will offer short term residence and support for teenage women who wish to leave their involvement in prostitution. The funds shall be expended subject to the direction of the commissioner of public welfare. This appropriation expires June 30, 1981. It is the intention of the legislature that this shall be a final and non-recurring appropriation.

Subd. 4. Income Maintenance.....329,461,900 366,392,500

#### Approved Complement—257

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

Aid to Families with Dependent Children, Medical Assistance, Minnesota Supplemental Assistance, and Catastrophic Health Insurance

\$272,309,100      \$303,669,400

#### Medical Assistance Deficiency

\$6,109,000 for 1979

The commissioner of public welfare shall provide supplementary grants, not to exceed \$150,000 per year, for aid to families with dependent children and shall include the following costs in determining the amount of the supplementary grants: major home repairs, repair of major home appliances, utility recaps, supplementary dietary needs not covered by medical assistance, and replacement of essential household furnishings and essential major appliances.

Notwithstanding any law to the contrary, counties may retain one half of the non-federal share of medical assistance collections from estates which are directly attributable to county effort.

	1980	1981
	\$	\$

Provided that medical assistance may include personal care services in a recipient's home rendered by an individual, not a member of the family, who is qualified to provide the services, when the services are prescribed by a physician in accordance with a plan of treatment and are supervised by a registered nurse.

Notwithstanding any state law to the contrary, the commissioner of public welfare shall not adjust the budget standards for any categorical aid program in excess of the amount authorized by the legislature, unless federal statute or regulation require it.

Recipients of Minnesota supplemental assistance living in nonmedical congregate care or foster care shall receive the same personal needs allowance as recipients of medical assistance residing in intermediate care facilities.

The commissioner of public welfare shall adjust the benefits payable to the aged, blind and disabled recipients pursuant to Minnesota Statutes, Sections 256D.36 and 256D.37 who do not reside in congregate care or foster care facilities in an amount equivalent to the cost of living adjustments in the federal supplemental security income program.

In determining the amount for AFDC and general assistance grants, the commissioner shall effect a seven percent increase on July 1, 1979 and a seven percent increase on July 1, 1980.

The moneys received under the state and local fiscal assistance act, known as general revenue sharing, shall be deposited in the medical assistance account and the state appropriation shall be reduced by a like amount.

The appropriation made in Laws 1977, Chapter 453, Section 2, Subdivision 3, for general assistance may be transferred to the medical assistance appropriation in fiscal year 1979.

General Assistance and General Assistance Medical Care

	1980	1981
	\$	\$
\$46,991,000	\$52,607,000	
Income Maintenance Support		
\$10,161,800	\$10,116,100	

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

Subd. 5. Mental Health.....151,351,600 152,439,000

Total Approved Complement—6098

State Hospitals—5412

The commissioner of public welfare is authorized to fill up to 150 the first year and 120 the second year human services technician positions in the state hospitals in addition to the approved complement specified in this subdivision for the purpose of alleviating recruitment delays in direct patient care, as salary savings become available to fund such positions. In addition to salary savings, \$500,000 per year is appropriated in the salary account for the state hospitals for this purpose.

As the hospital population decreases, the supportive staff complement shall be reduced in direct proportion.

Nursing Homes—617

Mental Health Support—69

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

Program Offices

Mentally Ill

\$909,200 \$1,309,200

Mentally Retarded

\$1,201,000 \$901,000

1980  
\$1981  
\$

Up to \$150,000 for the biennium ending June 30, 1981, is available for grants-in-aid to assist the Camphill Village of Minnesota, Inc. project. Such grants-in-aid shall not exceed 50 percent of the land acquisition, construction, equipment, and start-up costs.

Any unexpended balance remaining in the first year for the program office for mentally retarded shall not cancel, but shall be available for the second year.

**Chemically Dependent**

\$ 4,286,300

\$ 4,298,400

The commissioner of public welfare shall set aside an amount of the state appropriation which is equal to the amount of federal reimbursement received for operating expenses of the Mash-ka-wisen residential treatment center. The appropriation which is set aside may not be expended without the approval of the commissioner of public welfare, who shall provide advance notice to the commissioner of finance, the chairman of the senate finance committee and the chairman of the house appropriations committee.

The commissioner of public welfare shall establish standards for employee assistance programs. The standards shall include, but need not be limited to: (a) the minimum number of employees an employer must have in order to qualify for a state-assisted program; (b) the maximum start-up cost per covered employee; (c) the maximum annual program operation cost per covered employee; and (d) the maximum annual travel cost for program purposes per covered employee. The commissioner shall promulgate the standards as rules pursuant to chapter 15 and may, until January 1, 1980, promulgate them as temporary rules pursuant to section 15.0412, subdivision 5. Copies of any proposed rule or temporary rule shall be sent to the chairmen of the senate finance committee and house appropriations committee prior to their publication in the state

1980

\$

1981

\$

register. No funds shall be distributed for employees assistance programs prior to the promulgation of the rule or temporary rule required by this provision. No funds may be expended for employee assistance programs unless the employee assistance program is designed and operated to identify only those employees who are chemically dependent.

Notwithstanding the provisions of sections 245.781 to 245.811 and chapter 254A, all chemical dependency program licensure and program evaluation, other than fiscal auditing, shall be performed by the commissioner of health. The necessary approved complement and funding of the state authority for alcohol and drug abuse in the department of public welfare shall be transferred to the department of health which shall license and evaluate chemical dependency providers who receive state funds or federal funds distributed by the state authority. The commissioner of health shall promulgate rules pursuant to chapter 15 prescribing standards for licensure and evaluation of chemical dependency programs. The commissioner may, until January 1, 1980, promulgate temporary rules pursuant to section 15.0412, subdivision 5 for the purposes of this provision. The program evaluation rule shall provide for, but need not be limited to, an examination of the following factors: (1) comparative unit cost of program components including education, outreach, consultation, early detection, diagnosis and referral, training, treatment and administration; (2) comparative success in reaching goals with respect to the number of clients served in specified program components; (3) comparative success in the design and implementation of an effective system of program evaluation; and (4) comparative success in outcomes for persons served, especially in the treatment component. The rule shall provide for variations in program experience which result from differences in race, sex, age, and dependency severity of the clients served by different providers.

	1980	1981
	\$	\$

The commissioner of health shall contract for a study of the major chemical dependency program components currently funded by the department of public welfare. The commissioner of public welfare shall transfer sufficient funding to the commissioner of health to finance this contract. The study shall examine the cost-effectiveness and comparative effectiveness of components including, but not limited to, employee assistance, early identification, diagnosis and referral, varying treatment models, education, programs aimed at targeted population groups, and detoxification. The study shall include recommendations as to priorities for future funding.

In allocating state and federal funds for chemical dependency services, the state authority shall give priority to providers who (1) have done well in evaluations of their performance, (2) provide unique services or emphasize alternative or innovative service systems, or (3) have demonstrated an ability to provide effective early outreach services.

#### Community Mental Health Centers

\$18,712,300    \$20,778,900

The appropriation for Community Mental Health Centers provides for up to 50 percent matching, except for counties affected by equalization aid, of local community mental health centers approved expenditures.

Notwithstanding any law to the contrary, county boards may select the appropriate contiguous region to associate with for community mental health services.

#### Developmental Achievement Centers

\$9,567,100    \$10,595,400

The Developmental Achievement Centers appropriation provides for a 60 percent matching, except for counties affected by equalization aid payments, of local developmental achievement centers approved expenditures.



	1980	1981
	\$	\$
<b>State Hospitals</b>		
<b>Current Expense</b>		
\$11,818,300	\$11,818,300	
<b>Salaries</b>		
\$90,329,500	\$90,329,500	
<b>Repairs and replacements</b>		
\$1,318,500		
<b>Special Equipment</b>		
\$ 601,800		
<b>Nursing Homes</b>		
<b>Current Expense</b>		
\$ 1,554,400	\$ 1,554,400	
<b>Salaries</b>		
\$ 9,525,800	\$ 9,525,800	
<b>Repairs and replacements</b>		
\$ 128,800		
<b>Special Equipment</b>		
\$ 69,600		
<b>Mental Health Support</b>		
\$ 1,329,000	\$ 1,328,100	

Any unexpended balance remaining in the first year for special equipment and repairs and replacements shall not cancel but shall be available for the second year of the biennium.

The information for the budgets for the nursing homes, and hospitals shall be submitted to the 1981 legislature on an individual hospital basis together with a summary budget in the same format as the legislature appropriated money. Positions and administrative money may be transferred between the various activities within each subdivision in this section, except for the institutions.

The commissioner of public welfare is authorized to establish an imprest cash fund at each of the state operated res-

	1980	1981
	\$	\$

idential facilities to be utilized for payment to residents participating in on-campus work programs.

**Subd. 6. 1979 employee compensation plan**

This appropriation shall be added to the subdivisions in this section in the following amounts:

	1980	1981
For subdivision 2.	\$.....	\$.....
For subdivision 3.	.....	.....
For subdivision 4.	.....	.....
For subdivision 5.	.....	.....

**Sec. 3. COMMISSIONER OF ECONOMIC SECURITY**

<b>Subdivision 1. Total Department Appropriation</b>	<b>13,101,300</b>	<b>14,209,300</b>
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The amounts that may be expended from this appropriation for each program are as follows:

**Employment and Training**

\$ 3,681,600	\$ 3,614,900
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The appropriation in employment and training for the summer youth program shall be available immediately to provide the same level of program for each summer of the biennium as was provided during the summer of 1978. If the appropriation for either year of the biennium is insufficient, the appropriation from the other year shall be available to supplement it.

Any unexpended balance remaining in the first year for the work equity project shall not cancel, but shall be available for the second year of the biennium.

**Vocational Rehabilitation Services**

\$ 7,995,300	\$ 8,987,100
--------------	--------------

Funds received from workers' compensation carriers for services provided by the division of vocational rehabilitation for

1980  
\$

1981  
\$

the benefit of injured workers, shall be deposited in the accounts of the division of vocational rehabilitation, and reported in the same ratio to state and federal funds expended. Should such deposits exceed the amount shown on worksheets of the conferees of the Senate and House of Representatives, the commissioner of finance shall reduce the amounts available from the general appropriation for the division of vocational rehabilitation by the amount of such excess. The federal share of these recoupments shall be deposited as required by federal law, regulation and guideline.

The commissioner of economic security may expend money received from school districts, governmental subdivisions, mental health authorities, and private non-profit organizations for the purpose of conducting joint or cooperative vocational rehabilitation programs, and this money is appropriated for these purposes.

Any unexpended balance remaining in the first year for vocational rehabilitation services shall not cancel, but shall be available for the second year of the biennium.

#### Management and Coordination

\$ 1,424,400      \$ 1,607,300

If the appropriation in management and coordination for the displaced homemaker program for either year of the biennium is insufficient, the appropriation from the other year is available for it.

Unless otherwise required by federal law, money paid by any state agency to a community action agency may be paid in the form of a grant and may be paid in advance of the receipt by the community action agency of matching federal money. This provision expires June 30, 1981.

If the anticipated reduction in federal funding for the work equity program, comprehensive services for independent living, and statewide economic opportunity does not occur, the additional state appropriations shall cancel in direct relationship.

	1980	1981
	\$	\$
Subd. 2. 1979 employee compensation plan .....		

This appropriation shall be added to the subdivisions in this section in the following amounts:

	1980	1981
For subdivision 1. \$.....	\$.....	
Sec. 4. COMMISSIONER OF CORRECTIONS		

Subdivision 1. Total Department Appropriation .....	53,692,500	53,897,000
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Total Department

Approved Complement—1980: 1369.4

1981: 1362.9

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

Subd. 2. General Support .....	4,683,900	4,479,600
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Approved Complement—1980: 93.7

1981: 88.2

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

County Probation Reimbursement

\$1,221,900      \$1,295,200

On or before October 30 of each even numbered year, each county or group of counties shall submit to the commissioner of corrections an estimate of the cost for county probation reimbursement. Reimbursement shall be made on the basis of the estimate submitted or the actual expenditure, whichever is less.

Subsidy Programs

\$388,300      \$394,300

	1980	1981
	\$	\$

**Support**

\$3,073,700	\$2,790,100
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This appropriation includes money for training of group home parents in county homes.

Subd. 3. Special Services.....	5,646,700	4,060,600
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**Approved Complement—52.8**

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

**Health Care**

\$1,955,600	\$2,013,100
-------------	-------------

The health care appropriation shall be used to provide professional health care to persons confined in institutions under the control of the commissioner of corrections, and to cover costs of their care in hospitals and other medical facilities not under the control of the commissioner of corrections, including the secure treatment unit operated by the St. Paul-Ramsey Hospital. All reimbursements for such health care services shall be deposited in the general fund.

Any person confined in a state correctional institution for adults who had been adjudicated to be mentally ill and in need of treatment, may be committed to the commissioner of corrections and placed in the psychiatric unit funded in this subdivision.

**Education**

\$334,400	\$334,400
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**Victim Services**

\$3,042,100	\$1,395,800
-------------	-------------

\$2,995,700 of this appropriation shall be used to fund the battered women program heretofore established; to develop and implement a model treatment program for the violent partner of the battered woman, and to extend the battered women advisory task force for an additional two years to June 30, 1981. The commis-

	1980	1981
\$		\$

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

\$500,000 of this appropriation shall be available to the commissioner of corrections for awarding grants to cities, counties, and private nonprofit agencies for the provision of services to victims of sexual assault. Application for the grants shall be in a form prescribed by the commissioner. No more than 15 percent of this appropriation may be awarded within any one county. Up to five percent of this appropriation may be used for administrative and evaluation purposes.

Any unexpended balance remaining in the first year for the victim services appropriation shall not cancel, but shall be available for the second year of the biennium.

#### Support

\$314,600	\$317,300
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Subd. 4. Community Services.....	12,115,200	14,060,100
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Approved Complement—1980: 79.4

1981: 78.4

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

#### Probation and Parole

\$ 1,853,800	\$ 1,837,100
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#### Residential and Community Programs

\$ 1,355,800	\$ 1,407,600
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The commissioner of corrections shall evaluate the women helping offenders program, and shall report on such by June 30, 1981.

#### Community Corrections Act

\$ 8,905,600	\$ 10,815,400
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	1980	1981
	\$	\$

As counties begin participating in the corrections subsidy act, the complement of the central office shall be reduced by the number of positions transferred to the counties entering the act.

The commissioner of corrections shall select the counties that may participate under the corrections subsidy act after consulting with the appropriate finance committees of the legislature.

State officers and employees displaced by a county's participation in the community corrections act and hired by the participating county shall, in addition to the benefits provided in Minnesota Statutes 1978, Section 401.04, and in the manner provided therein, retain all fringe benefits and recall from layoff benefits accrued by seniority and enjoyed by them while in the service of the state.

If in any biennium the subsidy is increased by an inflationary adjustment which results in the county receiving more actual subsidy than it did in the previous calendar year, the county shall be eligible for that increase only if the current level of spending is increased by a percentage equal to that increase within the same biennium.

Subd. 5. Correctional Institutions...	31,246,700	31,296,700
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Approved Complement—1143.5

Current Expense

\$ 6,673,300	\$ 6,730,600
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Salaries

\$23,927,500	\$23,974,100
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Special Equipment

\$ 212,800	\$ 176,900
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Repairs and Replacements

\$ 433,100	\$ 415,100
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Any unexpended balances in special equipment and repairs and replacements remaining in the first year shall not can-

1980

1981

\$

\$

cel but shall be available for the second year of the biennium.

Notwithstanding any law to the contrary, effective July 1, 1979 and quarterly thereafter, the commissioner of corrections shall notify the commissioner of administration of the articles, supplies and services available from industrial activities conducted at state correctional institutions, and the commissioner of administration shall purchase from the state correctional institutions those articles, supplies and services needed by state departments and agencies, unless the commissioner of corrections shall certify that the correctional institutions cannot provide them at a price within five percent of the fair market price for comparable level of quality and within a reasonable delivery time. In determining the fair market price the commissioner of administration shall use competitive bidding or consider open market bid prices in previous years for similar products and services, plus inflationary increases.

The commissioner of corrections shall collect a damage deposit from all staff who reside in housing on the grounds of the Thistledeew Corrections Camp at Togo, Minnesota and deposit the moneys in a savings account in a bank at interest. Withdrawals therefrom may be made to defray the cost of any damage to the residence caused by the tenant or to return the deposit to the tenant with accrued interest if the residence be vacated without damage. The commissioner shall keep accurate records in the name of each tenant so that the interest may be credited to the proper account.

The commissioner of corrections shall study and determine the most appropriate location for women committed to the Minnesota Correctional Institution for Women. Such report shall be submitted by November 15, 1979, to the chairmen of the senate finance committee and house appropriations committee.



	1980	1981
	\$	\$

Subd. 6. 1979 employee compensation plan .....	.....	.....
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This appropriation shall be added to the subdivisions in this section in the following amounts:

	1980	1981
For subdivision 2. \$.....	\$.....	
For subdivision 3. ....	.....	
For subdivision 4. ....	.....	
For subdivision 5. ....	.....	

#### Sec. 5. SENTENCING GUIDELINES COMMISSION

Subdivision 1. Salaries, Supplies and Expense .....	194,800	194,800
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The sentencing guidelines commission shall cease operations by July 1, 1983.

Subd. 2. 1979 employee compensation plan .....	.....	.....
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#### Sec. 6. CORRECTIONS OMBUDSMAN

Subdivision 1. Salaries, Supplies and Expense .....	223,800	223,800
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Subd. 2. 1979 employee compensation plan .....	.....	.....
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#### Sec. 7. COMMISSIONER OF HEALTH

Subdivision 1. Total Department Appropriation .....	22,921,900	23,696,800
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Total Department

Approved Complement—319

The amounts that may be expended from this appropriation for each program and the approved complement for each are as follows:

Preventive and Personal Health Services

Approved Complement—180.8

\$ 8,179,200 \$ 7,971,200

Any unexpended balance remaining in the first year for wells, soil and chemical

	1980	1981
	\$	\$

analysis, shall not cancel, but shall be available for the second year.

Notwithstanding any law to the contrary, the fee the department of health charges for medical laboratory services shall increase to \$3, effective July 1, 1979.

#### Health Systems Quality Assurance

##### Approved Complement—63.7

\$ 2,782,700    \$ 2,771,400

Of this appropriation \$278,000 for fiscal year 1980 and \$278,000 for fiscal year 1981 are appropriated from the trunk highway fund for emergency medical services activities.

Notwithstanding any law to the contrary, the commissioner of health shall make grants to agencies which are publicly owned or nonproprietary operated by charitable organizations, for the purpose of converting hospitals having fewer than 40 beds to nursing homes. Such grants shall be only for those hospitals which convert 100 percent of their beds to nursing home beds. The grant shall be for up to 50 percent of the remodeling costs, not exceeding \$150,000 per facility. \$1,000,000 per year is appropriated for this purpose in the health systems quality assurance program. If any facility which receives a grant under this provision is sold, the seller shall return a portion of the grant amount to the state. The seller shall retain 10 percent of the grant amount for each year of operation under his continuous ownership. The state shall be entitled at the time of the sale to the remaining amount plus interest.

Notwithstanding any law to the contrary, the commissioner of health shall publish in each local newspaper a listing of serious correction orders in long term care facilities. Such correction orders shall be those which affect patient care and facility sanitation. Such publication shall begin on July 1, 1979.

	1980	1981
	\$	\$

Notwithstanding the provisions of Minnesota Statutes, Section 144A.10, Subdivision 2, the commissioner of health shall biennially inspect each nursing home to assure compliance with sections 144A.01 to 144A.17 and the rules promulgated thereunder. Where the annual inspection made for the federal government indicates noncompliance with state standards, the commissioner of health shall order a state inspection. In cases where substantial complaints are received which impact on patient care, inspections shall be made more frequently as determined by the commissioner of health.

Health Support Services

Approved Complement—74.5

\$11,960,000	\$12,954,200
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As counties begin participating in the community health services act, the complement of the department shall be reduced by the number of positions transferred to the counties entering the act.

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

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

Notwithstanding any law to the contrary, the formula for community health services act shall be increased by seven percent each year of the 1979-1981 biennium.

Subd. 2. 1979 employee compensation plan .....	.....
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This appropriation shall be added to the programs in this section in the following amounts:

	1980 \$	1981 \$
For preventive and personal health services .....	.....	.....
For health systems quality assurance... ..	.....	.....
Of this appropriation, \$. . . . . for fiscal year 1980 and \$. . . . . for fiscal year 1981 are appropriated from the trunk highway fund for emergency medical services activities.		
For health support services.....	.....	.....
<b>Sec. 8. HEALTH RELATED BOARDS</b>		
Subdivision 1. Board of Chiropractic Examiners .....	38,700	38,700
Subd. 2. Board of Dentistry.....	195,800	199,000
Subd. 3. Board of Medical Examiners.	299,100	299,100
Subd. 4. Board of Nursing.....	556,200	556,200
Subd. 5. Board of Examiners for Nursing Home Administrators.....	64,200	64,200
Notwithstanding the provision of section 144A.04, subdivision 5, a nonproprietary retirement home having less than 15 licensed nursing home beds may share the services of a licensed administrator with a nonproprietary nursing home having less than 150 licensed nursing home beds which is located within 25 miles of the retirement home.		
Subd. 6. Board of Optometry.....	35,600	35,600
Subd. 7. Board of Pharmacy.....	224,400	224,400
Subd. 8. Board of Podiatry.....	5,400	5,400
Subd. 9. Board of Psychology.....	49,000	51,100
Subd. 10. Board of Veterinary Medicine .....	21,800	21,800
Subd. 11. The commissioner of finance shall not permit the allotment, encumbrance, or expenditure of any money appropriated in this section in excess of the anticipated biennial revenues.		
Subd. 12. 1979 employee compensation plan .....	.....	.....

	1980	1981
	\$	\$

This appropriation shall be added to the subdivisions in this section in the following amounts:

	1980	1981
For subdivision 1.	\$.....	\$.....
For subdivision 2.	.....	.....
For subdivision 3.	.....	.....
For subdivision 4.	.....	.....
For subdivision 5.	.....	.....
For subdivision 6.	.....	.....
For subdivision 7.	.....	.....
For subdivision 8.	.....	.....
For subdivision 9.	.....	.....

**Sec. 9. CONTINGENT FOR STATE INSTITUTIONS .....**

600,000

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

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

The allowance for food may be adjusted annually according to the United States department of labor, bureau of labor statistics publication wholesale price index, upon the approval of the governor. Adjustments shall be based on the June, 1979, wholesale food price index, but the adjustment shall be prorated if the wholesale food price index adjustment would require money in excess of this appropriation.

**Sec. 10. CONTINGENT FOR HIGH SECURITY FACILITY .....**

6,000,000

	1980	1981
	\$	\$

No expenditure shall be made from this appropriation without the direction of the governor after consultation with the legislative advisory commission.

Any unexpended balance remaining in the first year shall not cancel but shall be available for the second year.

Sec. 11. [RECEIPTS.] All funds, sums of money, or other resources provided or to be received as shown in the biennial budget document or in working papers of the two appropriations committees, including all receipts, collections, legislative allocations, transfers, and other income and receipts properly belonging to and to be used for financing activities, programs, and other projects other than the institutions now or hereafter under the supervision and jurisdiction of the commissioner of public welfare not otherwise specifically designated as income or credits to other state departments or funds by law, shall be credited to and become a part of the appropriations provided for in section 2, subdivisions 2, 3, and 4. Any such receipts in excess of those shown in the biennial budget shall not be available without the written approval of the governor who shall consult with the legislative advisory commission.

Sec. 12. [PROVISIONS.] Money appropriated under this act for the purchase of provisions within the item "current expense" shall be used solely for that purpose. The amounts appropriated for provisions are shown on the worksheets of the conferees of the senate and house of representatives, a true copy of which is on file in the offices of the commissioner of finance. Any money so provided and not used for purchase of provisions shall be cancelled into the fund from which appropriated, except that money so provided and not used for the purchase of provisions because of population decreases may be transferred and used for the purchase of medical and hospital supplies after consultation with the legislative advisory commission.

Sec. 13. [TRANSFERS.] Subdivision 1. The commissioner of public welfare, the commissioner of corrections, the commissioner of economic security and the commissioner of health shall not transfer any money to or from personnel services, or claims and grants, as shown on the official worksheets of the conferees of the senate and house of representatives, a true copy of which is on file in the office of the commissioner of finance, except for those transfers that have the written approval of the governor, who shall consult with the legislative advisory commission.

Subd. 2. The commissioner of public welfare and the commissioner of health by direction of the governor after consulting with the legislative advisory commission may transfer unobligated appropriation balances and positions among all subdivisions.

Subd. 3. The commissioner of corrections may transfer appropriations and authorized positions among all subdivisions in the best

interest of the security and rehabilitation programs and for more efficient utilization of personnel and facilities. Transfers shall be made with the written approval of the governor after consulting with the legislative advisory commission.

**Sec. 14. [APPROVED COMPLEMENT.]** The approved complements indicated in this act are fulltime equivalent positions and apply only to positions paid for with money appropriated by this act.

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

**Sec. 15. [STAFF HOUSING.]** The commissioner of corrections shall reduce staff housing as soon as possible.

**Sec. 16. [FISCAL NOTES.]** Notwithstanding any other law to the contrary, the departments of health, public welfare, economic security, corrections and the health related boards shall not put into effect any rule, regulation, or standard, which has a fiscal impact in excess of \$100,000 annually without first providing the house appropriations and the senate finance committees with fiscal notes.

**Sec. 17. Minnesota Statutes 1978, Section 145.925, Subdivision 3, is amended to read:**

**Subd. 3.** No funds provided by grants made pursuant to this section shall be used to support any family planning services for any unemancipated minor in any elementary or secondary school building. *Funds shall not be denied pursuant to this subdivision to applicants that provide to minors, only counseling services in a building adjacent to an elementary or secondary school building where no regularly used indoor access exists between the two buildings.*

**Sec. 18. Minnesota Statutes 1978, Section 254A.031, is amended to read:**

**254A.031 [NATIVE AMERICAN PROGRAMS.]** *Subdivision 1.* The commissioner shall enter into one or more purchase of service agreements to provide programs for native Americans. The agreements shall provide for residential and aftercare treatment programs, programs relating to prevention, education, and community awareness, and training programs. All programs shall be designed to meet the needs identified by the native American community, and appropriate recognition shall be given to the cultural and social needs of native Americans. The commissioner shall enter into the agreements after consultation with the special assistant for native American programs of the alcohol and drug

abuse section of the department of public welfare, and all agreements shall be reviewed pursuant to section 254A.03.

*Subd. 2. A county that does not have located within it a special facility for providing treatment for the chemical dependency problems of American Indians shall pay to such a facility located outside of the county the cost of providing that treatment to American Indians who are residents of that county.*

Sec. 19. Minnesota Statutes 1978, Section 256B.44, Subdivision 2, is repealed.

Sec. 20. The appropriation for the employment and training program in the department of economic security, section 3, shall be available immediately."

Amend the title by striking it and inserting:

"A bill for an act relating to the organization and operation of state government; appropriating money for welfare, corrections, health, and other purposes with certain conditions; providing appropriations for the departments of public welfare, economic security, corrections, corrections ombudsman, health, health related boards; amending Minnesota Statutes 1978, Sections 145.-925, Subdivision 3; and 254A.031; and repealing Minnesota Statutes 1978, Section 256B.44, Subdivision 2."

The motion prevailed. So the amendment was adopted.

Mr. Perpich moved to amend H. F. No. 1518, as amended by the Senate, adopted May 3, 1979, as follows:

(The text of the amended House File is identical to S. F. No. 1511.)

Page 20, line 23, after "40" insert "acute care"

The motion prevailed. So the amendment was adopted.

H. F. No. 1518 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 61 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Laufenburger	Peterson	Stokowski
Ashbach	Gunderson	Lessard	Pillsbury	Strand
Bang	Hanson	Luther	Purfeerst	Stumpf
Benedict	Hughes	McCutcheon	Renneke	Tennessee
Bernhagen	Humphrey	Menning	Schaaf	Ueland, A.
Brataas	Jensen	Merriam	Schmitz	Ulland, J.
Chenoweth	Johnson	Moe	Setzepfandt	Vega
Coleman	Keefe, J.	Nelson	Sieloff	Wegener
Davies	Kirchner	Nichols	Sikorski	Willet
Dieterich	Kleinbaum	Ogdahl	Sillers	
Dunn	Knaak	Olson	Solon	
Engler	Knoll	Penny	Spear	
Frederick	Knutson	Perpich	Staples	



Mr. Rued voted in the negative.

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

#### MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Coleman moved that H. F. No. 1519 be withdrawn from the Committee on Rules and Administration and laid on the table. The motion prevailed.

Mr. Coleman moved that S. F. No. 1505 be stricken from General Orders and laid on the table. The motion prevailed.

Mr. Coleman moved that S. F. No. 1511 be stricken from General Orders and laid on the table. The motion prevailed.

Pursuant to Rule 10, Mr. Coleman, Chairman of the Subcommittee on Bill Scheduling, designated the General Orders Calendar a Special Orders Calendar to be heard immediately.

#### SPECIAL ORDER

S. F. No. 888: A bill for an act relating to tuberculosis; closing the Glen Lake State Sanatorium; requiring the treatment of tuberculosis; allocating costs of tuberculosis treatment for persons in the welfare system; amending Minnesota Statutes 1978, Sections 144.422, Subdivisions 6 and 9; 144.424, Subdivisions 8 and 11; 144.425; 197.01; 251.043, Subdivision 1; 251.053; and 256.01, Subdivision 2; repealing Minnesota Statutes 1978, Sections 246.014, Subdivision 8; 251.01; 251.011, Subdivisions 2 and 5; 251.02; 251.03; and 251.11.

Mr. Kirchner moved to amend S. F. No. 888 as follows:

Page 7, line 23, after the period, strike the old language and delete the new language

Page 7, lines 24 to 33, strike the old language and delete the new language

Page 8, lines 1 to 11, strike the old language, delete the new language and insert *"If the employee dies from the effects of the disease of tuberculosis and if the tuberculosis was the primary infection and the authentic cause of death, the workers' compensation division shall order payment to dependents as provided for under the general provisions of the workers' compensation law."*

The motion prevailed. So the amendment was adopted.

Mr. Kirchner then moved to amend S. F. No. 888 as follows:

Page 6, after line 26, insert:

"Sec. 7. Minnesota Statutes 1978, Section 246.014, is amended to read:

246.014 [SERVICES.] The measure of services established and prescribed by section 246.012, are:

(1) There shall be served in state hospitals a single standard of food for patients and employees alike, which is nutritious and

palatable together with special diets as prescribed by the medical staff thereof. There shall be a chief dietitian in the department of public welfare and at least one dietitian at each state hospital. There shall be adequate staff and equipment for processing, preparation, distribution and serving of food.

(2) There shall be a staff of persons, professional and lay, sufficient in number, trained in the diagnosis, care and treatment of the mentally ill, physical illness, and including religious and spiritual counsel through qualified chaplains (who shall be in the unclassified service) adequate to take advantage of and put into practice modern methods of psychiatry, medicines and related field.

(3) There shall be a staff and facilities to provide occupational and recreational therapy, entertainment and other creative activities as are consistent with modern methods of treatment and well being.

(4) There shall be in each state hospital for the care and treatment of the mentally ill facilities for the segregation and treatment of patients who have communicable disease.

(5) The commissioner of public welfare shall provide modern and adequate psychiatric social case work service.

(6) The commissioner of public welfare shall make every effort to improve the accommodations for patients so that the same shall be comfortable and attractive with adequate furnishings, clothing, and supplies.

(7) The commissioner of public welfare shall establish training programs for the training of personnel and may require the participation of personnel in such programs. Within the limits of the appropriations available he may establish professional training programs in the forms of educational stipends for positions for which there is a scarcity of applicants.

(8) There shall be a separate hospital for the diagnosis, care and treatment of the mentally ill who have tuberculosis which shall conform to the standards established for the diagnosis, care and treatment of physical disease. Pending construction of such separate hospital, one of the present state hospitals, or so much thereof as may be necessary, shall be set apart for the diagnosis, care and treatment of the mentally ill who have tuberculosis and shall be staffed and equipped to meet the accepted requirements of modern medicine for the care and treatment of persons afflicted with tuberculosis.

(9)(8) The standards herein established shall be adapted and applied to the diagnosis, care and treatment of inebriate persons and mentally deficient persons who come within those terms as defined in the laws relating to the hospitalization and commitment of such persons, and of persons who are psychopathic personalities within the definition thereof in Minnesota Statutes 1945, Section 526.09.

~~(10)~~ (9) The commissioner of public welfare shall establish a program of detection, diagnosis and treatment of mentally or nervously ill persons and persons described in paragraph (9), and within the limits of appropriations may establish clinics and staff the same with persons specially trained in psychiatry and related fields.

~~(11)~~ (10) The commissioner of personnel and the personnel board may reclassify employees of the mental institutions from time to time, and assign classifications to such salary brackets as will adequately compensate personnel and reasonably assure a continuity of adequate staff.

~~(12)~~ (11) In addition to the chaplaincy services, provided in (2), the commissioner of public welfare shall open said institutions to ministers of the Gospel to the end that religious and spiritual counsel and services are made available to the patients therein, and shall cooperate with all ministers of the Gospel in making said patients available for religious and spiritual counsel, and shall provide such ministers of the Gospel with meals and accommodations.

~~(13)~~ (12) Within the limits of the appropriations therefor, the commissioner of public welfare shall establish and provide facilities and equipment for research and study in the field of modern hospital management, the causes of mental and related illness and the treatment, diagnosis and care of the mentally ill and funds provided therefor may be used to make available services, abilities and advice of leaders in these and related field, and may provide them with meals and accommodations and compensate them for traveling expenses and services."

Page 13, strike clause 16

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, after "197.01;" insert "246.014;"

The motion prevailed. So the amendment was adopted.

S. F. No. 888: A bill for an act relating to tuberculosis; closing the Glen Lake State Sanitorium; requiring the treatment of tuberculosis; allocating costs of tuberculosis treatment for persons in the welfare system; amending Minnesota Statutes 1978, Sections 144.422, Subdivisions 6 and 9; 144.424, Subdivisions 8 and 11; 144.425; 197.01; 246.014; 251.043, Subdivision 1; 251.053; and 256.01, Subdivision 2; repealing Minnesota Statutes 1978, Sections 246.014, Subdivision 8; 251.01; 251.011, Subdivisions 2 and 5; 251.02; 251.03; and 251.11.

S. F. No. 888 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gunderson	Lessard	Perpich	Spear
Bang	Hughes	Luther	Peterson	Staples
Benedict	Humphrey	McCutcheon	Pillsbury	Stokowski
Bernhagen	Johnson	Menning	Purfeerst	Strand
Brataas	Keefe, J.	Merriam	Renneke	Stumpf
Chenoweth	Keefe, S.	Moe	Schaaf	Tennessen
Davies	Kirchner	Nelson	Schmitz	Ueland, A.
Dieterich	Kleinbaum	Nichols	Setzepfandt	Ulland, J.
Dunn	Knaak	Ogdahl	Sieloff	Vega
Engler	Knoll	Olhoft	Sikorski	Wegener
Frederick	Knutson	Olson	Sillers	Willet
Gearty	Laufenburger	Penny	Solon	

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

### SPECIAL ORDER

S. F. No. 134: A bill for an act relating to public welfare; providing pre-trial proceedings and hearings to determine paternity of illegitimate children; revising Minnesota Statutes to conform with the uniform parentage act; amending Minnesota Statutes 1978, Sections 62A.041; 62C.14, Subdivision 5a; 64A.22, Subdivision 1; 144.215, Subdivision 3; 257.025; 257.175; 257.28; 257.33; 259.24, Subdivisions 1 and 2; 259.25, Subdivision 1; 259.26, Subdivision 1; 259.29, Subdivision 1; and 260.231, Subdivision 3; repealing Minnesota Statutes 1978, Sections 257.251; 257.252; 257.253; 257.254; 257.255; 257.256; 257.257; 257.258; 257.259; 257.261; 257.262; 257.263; 257.264; 257.27; 257.29; 257.30; 257.31; and 517.19.

Mr. Davies moved to amend S. F. No. 134 as follows:

Page 9, line 17, delete "Subdivision 1."

Page 9, lines 24 to 33, and page 10, lines 1 to 6, delete subdivisions 2 and 3

The motion prevailed. So the amendment was adopted.

S. F. No. 134 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 37 and nays 13, as follows:

Those who voted in the affirmative were:

Benedict	Johnson	Merriam	Schmitz	Strand
Chenoweth	Keefe, J.	Moe	Setzepfandt	Stumpf
Davies	Keefe, S.	Nelson	Sikorski	Tennessen
Dieterich	Kleinbaum	Olson	Sillers	Vega
Gearty	Laufenburger	Penny	Solon	Wegener
Gunderson	Lessard	Perpich	Spear	
Hanson	Luther	Peterson	Staples	
Humphrey	McCutcheon	Schaaf	Stokowski	

Those who voted in the negative were:

Ashbach	Engler	Menning	Rued	Ulland, J.
Bernhagen	Knaak	Olhoft	Sieloff	Willet
Brataas	Knutson	Renneke		

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

### SPECIAL ORDER

H. F. No. 564: A bill for an act relating to financial institutions; providing a new interest index for conventional home loans; regulating mortgage assumptions; regulating private mortgage insurance; regulating various interest rates; amending Minnesota Statutes 1978, Section 47.20, Subdivisions 2, 3, 4, 6, 7, and 13, and by adding a subdivision.

Mr. Sikorski moved that the amendment made to H. F. No. 564 by the Committee on Rules and Administration in the report adopted April 30, 1979, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H. F. No. 564 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 48 and nays 4, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Laufenburger	Penny	Staples
Bang	Gunderson	Lessard	Pillsbury	Stokowski
Benedict	Hughes	Luther	Purfeerst	Strand
Bernhagen	Humphrey	McCutcheon	Renneke	Ueland, A.
Brataas	Keefe, S.	Merriam	Rued	Ulland, J.
Chenoweth	Kirchner	Moe	Schaaf	Vega
Davies	Kleinbaum	Nelson	Schmitz	Wegener
Dunn	Knaak	Ogdahl	Setzepfandt	Willet
Engler	Knoll	Olhoff	Sieloff	
Frederick	Knutson	Olson	Sikorski	

Messrs. Johnson, Perpich, Spear and Stumpf voted in the negative.

So the bill passed and its title was agreed to.

### SPECIAL ORDER

S. F. No. 1072: A bill for an act relating to motor vehicles; establishing gross weight limitations on certain highways for certain vehicles and combinations of vehicles; providing an exception; providing for the enforcement of weight limitations and providing penalties; authorizing the employment of certain personnel in the unclassified service to enforce certain motor vehicle and traffic laws, and prescribing the conditions of employment; amending Minnesota Statutes 1978, Sections 168.013, Subdivision 3; 169.03, Subdivision 6; 169.83, Subdivision 2; 169.832, Subdivision 2, and by adding a subdivision; 169.85; and 299D.06.

Mr. Willet moved to amend S. F. No. 1072 as follows:

Page 4, after line 32, insert:

"Sec. 3. Minnesota Statutes 1978, Section 169.80, is amended by adding a subdivision to read:

*Subd. 4. [WEIGHT LIMIT ON TIRES OR WHEELS.] Except when operating under a special permit issued pursuant to section 169.86, no person shall operate a motor vehicle upon any street or highway with a gross weight on any tire in excess of the manufacturer's maximum load rating for the tire or with a gross weight on any wheel in excess of the manufacturer's maximum load specifications for the wheel."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "providing maximum limits for weight carried on any motor vehicle tire or wheel;"

Page 1, line 12, after "6;" insert "169.80, by adding a subdivision;"

The motion prevailed. So the amendment was adopted.

Mr. Laufenburger moved to amend S. F. No. 1072 as follows:

Page 12, line 15, after the comma, insert "medical benefits coverage,"

The motion prevailed. So the amendment was adopted.

S. F. No. 1072 was then progressed.

#### SPECIAL ORDER

S. F. No. 1295: A bill for an act relating to contracts; making certain contracts unenforceable unless in writing.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 47 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Hughes	Luther	Peterson	Stumpf
Ashbach	Humphrey	Menning	Pillsbury	Tennessen
Bernhagen	Johnson	Merriam	Purfeerst	Ueland, A.
Chenoweth	Keefe, S.	Moe	Renneke	Ulland, J.
Davies	Kirchner	Nelson	Rued	Vega
Dieterich	Kleinbaum	Ogdahl	Schaaf	Wegener
Dunn	Knaak	Olhoft	Sikorski	Willet
Engler	Knutson	Olson	Sillers	
Frederick	Laufenburger	Penny	Spear	
Gunderson	Lessard	Perpich	Stokowski	

Mr. Gearty voted in the negative.

So the bill passed and its title was agreed to.

## SPECIAL ORDER

S. F. No. 1157: A bill for an act relating to elections; authorizing corporations to establish political funds under certain conditions; exempting certain political funds from prohibitions against corporate political contributions; limiting solicitations by political funds established by corporations; requiring certain approval for transfer of union dues to a union political fund; establishing requirements for a negative checkoff; imposing criminal and civil penalties; amending Minnesota Statutes 1978, Sections 10A.12, by adding a subdivision; 10A.22, Subdivision 7; 210A.34, by adding a subdivision; and Chapter 10A, by adding a section.

Mr. Schaaf moved to amend S. F. No. 1157 as follows:

Page 2, line 4, before *"includes"* insert *"means a corporation domiciled in Minnesota and"*

Page 2, line 11, delete *"doing business in Minnesota"*

Page 2, line 13, delete *"or"* and insert a comma

Page 2, line 13, after *"members"* insert *"or shareholders"*

Page 2, line 15, delete *"or"* and insert a comma

Page 2, line 15, before the period, insert *"or shareholders"*

Page 2, line 19, delete *"or"* and insert a comma

Page 2, line 19, after *"members"* insert *"or shareholders"*

Page 2, line 20, delete *"the amount"*

Page 2, line 21, delete *"paid for those costs"*

Page 2, line 23, before the period, insert *"the amount of any direct expenses paid by the corporation in connection with soliciting and collecting the contributions"*

Page 2, line 24, delete *"costs"* and insert *"expenses"*

Page 3, line 10, delete *"or"* and insert a comma

Page 3, line 10, after *"members"* insert *"or shareholders"*

Page 3, line 21, delete *"or"* and insert a comma

Page 3, line 21, after *"member"* insert *"or shareholder"*

Page 3, line 28, delete *"or"* and insert a comma

Page 3, line 29, after *"members"* insert *"or shareholders"*

Page 4, line 4, delete *"\$50"* and insert *"\$20"*

Page 4, line 31, delete *"doing business"* and insert *"domiciled"*

Amend the title as follows:

Page 1, delete lines 2 to 9

Page 1, line 10, delete *"for a negative checkoff;"* and insert *"relating to elections; permitting corporations domiciled in Minnesota"*

to authorize solicitation and collection of contributions to a single political committee from its employees, members and shareholders; exempting corporate expenses in soliciting and collecting the contributions from the prohibition on corporate political contributions; setting conditions for the solicitation, collection and expenditure of money contributed to a committee authorized by a corporation; providing annual notice to union members of their right to prohibit transfer of their union dues to a union political fund;"

The motion prevailed. So the amendment was adopted.

Mr. Johnson moved that S. F. No. 1157 be stricken from Special Orders and re-referred to the Committee on Elections.

Mr. Sieloff moved that S. F. No. 1157 be laid on the table. The motion did not prevail.

The question recurred on the motion of Mr. Johnson.

Mr. Coleman moved that the Senate do now adjourn until 10:00 o'clock a.m., Monday, May 7, 1979. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate