

**SF 3781: Senate Omnibus Supplemental Budget Changes--General Fund  
As Recommended to Pass by Finance Committee**

(in thousands)

	<u>GOV*</u> <u>FY 2006-07</u>	<u>GOV*</u> <u>FY 2008-09</u>	<u>SENATE</u> <u>FY 2006-07</u>	<u>SENATE</u> <u>FY 2008-09</u>	<u>Dif.</u> <u>FY06-07</u>	<u>Dif.</u> <u>FY08-09</u>
<b><u>General Fund Resources</u></b>						
Feb. 2006 Fcst. Balance	88,355	1,091,932	88,355	1,091,932		
Tax Relief Account			316,716			
<i>Finance Committee Target</i>						
Resources from Fcst. Balance			44,355			
Resources from Tax Relief Account			159,289			
Target Resources Available			203,644			
<b><u>Proposed Uses</u></b>						
Early Childhood	12,259	28,058	23,418	61,896	11,159	33,838
K-12 Spending (SF 3781 Only)	15,195	28,202	34,900	1,896	19,705	(26,306)
Higher Education	4,800	10,830	4,700	10,630	(100)	(200)
Env., Ag., Economic Development Net	27,817	19,878	27,655	2,838	(162)	(17,040)
Transportation	7,349	(15,500)	4,320	0	(3,029)	15,500
Public Safety Net	22,281	27,388	10,354	12,473	(11,927)	(14,915)
State Government	11,975	21,000	9,307	10,360	(2,668)	(10,640)
Health and Human Services Net	86,703	110,522	76,523	148,224	(10,180)	37,702
Debt Service/Capital Projects	11,149	52,072	11,654	74,002	505	21,930
<b>Other Bills</b>						
Pensions (SF 2722)			378		378	0
School Health Insurance Pool (SF 1459)				3,000	0	3,000
Unemploy. Insurance Policy Bill REV (SF 3109)			(200)	(400)	(200)	(400)
Claims Bill (SF 3631)			64		64	0
Act 170, Medicare Part D			570		570	
<b>Total Proposed Uses</b>	<b>199,528</b>	<b>282,450</b>	<b>203,643</b>	<b>324,919</b>	<b>4,115</b>	<b>42,469</b>
Increase Budget Reserve	156,053		0		(156,053)	
Amount Under (Over) Target			1			

\* Reflects revised Governor Rec's (COE recreation sites, Minneapolis Police); Native Prairie land proposal carried in Taxes; and Part D gap funding as separate bill.

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**General Fund by Article (Page 1-4); Other Funds Combined (Page 5-8)**

(dollars in thousands)

	Gov FY06-07	Gov FY08-09	Sen FY2006	Sen FY2007	Sen FY06-07	Sen FY2008	Sen FY2009	Sen FY08-09	Sen-Gov FY06-07
<b>GENERAL FUND</b>									
<b>Article 2: Early Childhood Education</b>									
<b>Spending Changes</b>									
Health/Development Screening Aid	143	53	89	54	143	27	26	53	0
Early Childhood Part C Eligibility	1,049	6,931		1,049	1,049	2,660	4,271	6,931	0
ABE Formula Increase (3%)			35	1,025	1,060	2,152	3,310	5,462	1,060
Adult Literacy Grants--Intensive English for Refugees	1,000	1,000		1,500	1,500	1,500		1,500	500
ECFE Formula Increase to \$120 per child < 5				5,200	5,200	5,817	5,866	11,683	5,200
Quality Rating System (MELF)				1,500	1,500			0	1,500
Kindergarten Readiness Assessment	287	574		258	258	372	546	918	(29)
Head Start/Child Care study				25	25			0	25
ECFE Grants to Family and Other Providers	2,100	4,200			0			0	(2,100)
Educate Parents Partnership	80	100		80	80	50	50	100	0
School Readiness--Child Care Program Study				75	75			0	75
Early Childhood Intervention	1,500	3,000			0			0	(1,500)
Grants to Incent Educational Childcare	6,100	12,200			0			0	(6,100)
Legislative Commission to End Poverty				250	250			0	250
<i>Child Care Provisions:</i>									
Reimbursement Rate Adjustment				6,334	6,334	8,770	8,901	17,671	6,334
Accreditation Bonus; 15% incentive				609	609	866	930	1,796	609
Admin: Systems Cost for Accreditation				3	3				3
Reduce copayments				1,552	1,552	2,082	2,108	4,190	1,552
Allow Half Day Rates				631	631	1,060	1,089	2,149	631
Absent Day Policy Repeal				477	477	570	579	1,149	477
Reduce BSF Waiting List				2,672	2,672	4,147	4,147	8,294	2,672
<b>Total: Early Childhood Appropriation Changes</b>	<b>12,259</b>	<b>28,058</b>	<b>124</b>	<b>23,294</b>	<b>23,418</b>	<b>30,073</b>	<b>31,823</b>	<b>61,896</b>	<b>11,159</b>
<b>Article 3-10: K-12 Education</b>									
<b>Spending Changes</b>									
AP/IB Expansion	7,319	16,264			0			0	(7,319)
District and HS Redesign Pilot	5,000	10,000			0			0	(5,000)
Teach for Minnesota/Alternative Pathways	500	1,000			0			0	(500)
Mandarin Chinese Project	250	0		250	250			0	0
Transition for Pre-Kindergarten Programs	1,819	1,114			0			0	(1,819)
Waseca Health and Safety Rev Recovery	316	0		316	316			0	0
Expand Participation in Qcomp	(9)	(18)		(9)	(9)	(11)	(7)	(18)	0
Extend Qcomp Transition Period	0	(158)			0	(92)	(66)	(158)	0
One-time Supplemental Aid				32,229	32,229			0	32,229
Northwest Online College in the High School				50	50			0	50
Sign Bridge, Sign Language				225	225			0	225
One-time emergency Aid; ISD 38 Red Lake			474		474			0	474
One-time emergency Aid; ISD 750 Ricori				137	137	50		50	137
School Lunch food storage program				495	495	1,008		1,008	495
Special Education Finance study				250	250			0	250
Basic Grants for Libraries				450	450	1,000		1,000	450
MDE administration (Rule making)				20	20			0	20
Scholars of Distinction				25	25			0	25
Debt Service Correction			(11)	(1)	(12)			0	(12)
Health and Safety Testing and Balancing					0	8	6	14	0
<b>Total: K-12 Education Appropriation Changes</b>	<b>15,195</b>	<b>28,202</b>	<b>463</b>	<b>34,437</b>	<b>34,900</b>	<b>1,963</b>	<b>(67)</b>	<b>1,896</b>	<b>19,705</b>
<b>Article 11: Higher Education</b>									
<b>Spending Changes</b>									
UM: Rochester Higher Ed	5,000	11,330		5,000	5,000	5,000	6,330	11,330	0
Eligible Institutional Definition Method	(400)	(800)		(400)	(400)	(400)	(400)	(800)	0
MN Resident Definition Modified	100	100		100	100	50	50	100	0
Campus Veterans Assistance Offices	100	200							(100)
<b>Total: Higher Education Appropriation Changes</b>	<b>4,800</b>	<b>10,830</b>		<b>4,700</b>	<b>4,700</b>	<b>4,650</b>	<b>5,980</b>	<b>10,630</b>	<b>(100)</b>
<b>Article 12: Environment and Agriculture</b>									
<b>Spending Changes</b>									
Ag: Invasive Species Staffing	248	260	118	130	248	130	130	260	0

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**General Fund by Article (Page 1-4); Other Funds Combined (Page 5-8)**

(dollars in thousands)

	Gov FY06-07	Gov FY08-09	Sen FY2006	Sen FY2007	Sen FY06-07	Sen FY2008	Sen FY2009	Sen FY08-09	Sen-Gov FY06-07
Ag: Livestock/Crop Compensation	93	106	40	53	93	53	53	106	0
Ag: Marketing Bio-Energy	225	375			0			0	(225)
Ag: MDA/MAES Containment Facility	190	380		190	190	190	190	380	0
Ag: Second Harvest Milk Program grants				200	200	200	200	400	200
Ag: E85 Pump Installation grants				500	500			0	500
AHB: Elimination of Bovine Tuberculosis	685	0	277	408	685			0	0
DNR: Bovine T.B.	220	0	88	132	220			0	0
DNR: Invasive Species	975	1,950		550	550	550	550	1,100	(425)
DNR: MN Shooting Sports Education Center				100	100	100	100	200	100
DNR: Tower Soudan Mine grant			(250)		(250)				(250)
DNR: International Wolf Center			250		250				250
DNR: Operate Corp. of Engineers Rec. sites	1,400	2,800		100	100				(1,300)
Total: Environment and Ag. Appropriation Changes	4,036	5,871	523	2,363	2,886	1,223	1,223	2,446	(1,150)
<b>Revenue Changes</b>									
DNR: Forestry/Timber Sales Bill (SF2582)	434	289		11	11	8		8	(423)
DNR: Lands & Minerals/Land Sale Bill (SF2581)	20	0		20	20			0	0
DNR: Operate Corp. of Engineers recreational sites	400	800							(400)
Total: Environment and Ag. Revenue Changes	854	1,089	0	31	31	8	0	8	(823)
<b>Article 13: Clean Water Legacy</b>									
<b>Spending Changes</b>									
Clean Water Legacy (Various Agencies)	20,000	0		20,000	20,000			0	0
<b>Article 14: Economic Development</b>									
<b>Spending Changes</b>									
COM: Re-establish MN Boxing Commission	50	100		50	50	50	50	100	0
DEED: Biobusiness Alliance of MN	500	0		500	500			0	0
DEED: Biotech/Med Genomics (Gov uses HCAF)				2,000	2,000			0	2,000
DEED: Cedar Mills Wastewater Treatment Center				100	100			0	100
DEED: Advocating Change Program				150	150	150	150	300	150
DEED: Worthington Veterans Memorial				50	50			0	50
DEED: MN Film and TV Board			1,750		1,750			0	1,750
Hist: Mn Ag Interpretive Center				200	200				200
L&I: Construction Codes Consolidation	(2,699)	(5,398)			0			0	2,699
L&I: Licensing System	2,300	11,630			0			0	(2,300)
Total: Economic Devel. Appropriation Changes	151	6,332	1,750	3,050	4,800	200	200	400	4,649
<b>Revenue Changes</b>									
Arch: Eliminate Test Monitoring Fee	0	0			0			0	0
MN Boxing Commission	1	2			0			0	(1)
L&I: Construction Codes Consolidation	(4,485)	(8,766)			0			0	4,485
Total: Economic Devel. Revenue Changes	(4,484)	(8,764)	0	0	0	0	0	0	4,484
Env., Ag., Econ Dev. Net Changes	27,817	19,878	2,273	25,382	27,655	1,415	1,423	2,838	(162)
<b>Article 15: Transportation</b>									
<b>Spending Changes</b>									
DPS: Facial Recognition for Driver License	3,128	1,600			0			0	(3,128)
DOT: Revise GF transfer to Airport Fund	3,000	(3,000)			0			0	(3,000)
DOT: MNDOT Reimbursement of Fair Mkt Value	1,221	0			0			0	(1,221)
Met Council: I-394 Light Rail Feasibility Study				500	500			0	500
Defibrillators for State Patrol Vehicles				400	400			0	400
Town Road Sign Replacement				1,500	1,500			0	1,500
Roseau County--grant for radio tower				380	380			0	380
Increased Metro Transit Funding				1,540	1,540			0	1,540
Total: Transportation Appropriation Changes	7,349	(1,400)	0	4,320	4,320	0	0	0	(3,029)
<b>Revenue Changes</b>									
DPS: Motor Vehicle Transfer Fee Technical	0	14,100			0			0	0
Total: Transportation Revenue Changes	0	14,100	0	0	0	0	0	0	0
Transportation Net Changes	7,349	(15,500)	0	4,320	4,320	0	0	0	(3,029)
<b>Article 16: Public Safety</b>									
<b>Spending Changes</b>									
SC: Judicial Chemical Dependency Initiative	750	0		600	600			0	(150)
JudStd: Deficiency Request--Hearing Costs	172	0	172		172			0	0
PDB: Appellate Transcripts	400	400		60	60	60	60	120	(340)
DPS: Homeland Security Deficiency--state match	284	0			0			0	(284)

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DPS: Home. Security Hazardous Substance Planne	0	0		60	60			0	60
DPS: Minneapolis Police proposal	2,000	0		100	100				(1,900)
BCA: Internet Child Pornography Team	1,000	1,556			0			0	(1,000)
BCA: MN Illegal Immigration Enforcement	2,186	2,374			0			0	(2,186)
BCA: Posting of Non-Compliant Sex Offenders	200	232		125	125	116	116	232	(75)
BCA: Missing and Unidentified Persons				100	100	100	100	200	100
Office of Justice Programs (various)				1,598	1,598	1,000	1,000	2,000	1,598
Financial Crimes Task Force			177	177	354				354
DOC: Salary Supplement, Beds, SC guidelines	13,313	20,200	3,213	3,109	6,322	3,767	4,928	8,695	(6,991)
DOC: Grant-Mentoring Children of Inmates	300	600		250	250			0	(50)
DOC: Scott County-CCA	196	392		196	196	196	196	392	0
DOC: Immigrant Specialist				75	75	75	75	150	75
DOC: Discharge Planning for Mentally Ill				200	200	200	200	400	200
DPS: Alcohol Vender Training	100	200			0			0	(100)
<b>Total: Public Safety Appropriation Changes</b>	<b>20,901</b>	<b>25,954</b>	<b>3,562</b>	<b>6,650</b>	<b>10,212</b>	<b>5,514</b>	<b>6,675</b>	<b>12,189</b>	<b>(10,689)</b>
<b>Revenue Changes</b>									
POST Training Reimbursements	(1,380)	(1,434)		(200)	(200)	(200)	(200)	(400)	1,180
Increase Hennepin County Fine Revenue				58	58	58	58	116	58
<b>Total: Public Safety Revenue Changes</b>	<b>(1,380)</b>	<b>(1,434)</b>	<b>0</b>	<b>(142)</b>	<b>(142)</b>	<b>(142)</b>	<b>(142)</b>	<b>(284)</b>	<b>1,238</b>
<b>Public Safety Net Changes</b>	<b>22,281</b>	<b>27,388</b>	<b>3,562</b>	<b>6,792</b>	<b>10,354</b>	<b>5,656</b>	<b>6,817</b>	<b>12,473</b>	<b>(11,927)</b>
<b>Article 17: State Government</b>									
<b>Spending Changes</b>									
DOF: Bankruptcy Counsel	325	0		200	200			0	(125)
SIB: Funding Source Restructuring	(1,950)	(3,900)			0			0	1,950
DVA: State Soldiers Assistance Program Grant	3,000	6,000		1,900	1,900	1,900	1,900	3,800	(1,100)
DVA: Service Enhancement Grants for CVSO's	3,000	6,000		200	200	200	200	400	(2,800)
DVA: Veterans Assistance Offices	2,500	5,000		900	900	900	900	1,800	(1,600)
DVA: Veterans Outreach Funding Deficit			250	250	500	250	250	500	500
DVA: Veterans Service Org Funding Deficit				80	80			0	80
DVA: One-stop Website & Internet Support Svcs	200	400		100	100	100	100	200	(100)
OET: Enterprise IT Security Enhancement	2,950	3,600		1,900	1,900	1,700	1,700	3,400	(1,050)
SIB: Funding Restructuring--Indirect Cost Receipts	1,950	3,900			0			0	(1,950)
Center for Health Care Purchasing Improvement				100	100	100	100	200	100
LCC Legislative Forum				30	30	30	30	60	30
LCC: MN, ND, SD Manitoba Legislative Forum				7	7				7
Amatuer Sports: One-time cut restoration				90	90				90
State Employee Compensation; Shutdown Restoration			4,000		4,000				4,000
Adjustment for Interagency Agreements				(700)	(700)				(700)
<b>Total: State Government Appropriation Changes</b>	<b>11,975</b>	<b>21,000</b>	<b>4,250</b>	<b>5,057</b>	<b>9,307</b>	<b>5,180</b>	<b>5,180</b>	<b>10,360</b>	<b>(2,668)</b>
<b>Revenue Changes</b>									
SIB: Funding Source Restructuring	(1,950)	(3,900)			0			0	1,950
SIB: Funding Restructuring--Indirect Cost Receipts	1,950	3,900			0			0	(1,950)
<b>Total: State Government Revenue Changes</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>State Government Net Changes</b>	<b>11,975</b>	<b>21,000</b>	<b>4,250</b>	<b>5,057</b>	<b>9,307</b>	<b>5,180</b>	<b>5,180</b>	<b>10,360</b>	<b>(2,668)</b>
<b>Article 18-26: Health and Human Services</b>									
<b>Spending Changes</b>									
Mental Health Access and Improvement	3,760	37,673		2,996	2,996	20,341	11,138	31,479	(764)
SOS Sex Offender Commitment Growth	36,316	45,169	14,948	21,368	36,316	21,137	17,760	38,897	0
Mentally Ill and Dangerous Pop Growth	33,576	44,755	13,869	19,707	33,576	20,696	19,621	40,317	0
Expansion of SOS METO Comm Treatment	5,306	7,106	1,753	3,553	5,306	3,553	3,553	7,106	0
SOS Salary Supplement	18,818	23,970			0			0	(18,818)
Youth Sex Offender Study	200	0			0			0	(200)
Federal Deficit Reduction Act Compliance	(684)	(6,934)		(684)	(684)	(3,009)	(3,925)	(6,934)	0
Health Care Program Asset Verification	0	(1,545)			0			0	0
Exempt GAMC Enrollees from MNCare	2,119	12,111		2,119	2,119	5,740	6,371	12,111	0
Health Match Delay					0	(7,702)	(4,214)	(11,916)	0
Pay for Performance in Basic Care	75	160		75	75	75		75	0
Pharmacy Payment Reform Advisory Group				75	75			0	75
MA LTC Facilities Grants--Incentive Payments	0	7,910			0	1,196	6,714	7,910	0

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MA LTC Facilities Grants--Incentive Payments	0	(7,910)			0	(1,196)	(6,714)	(7,910)	0
Rate Inc. for Facilities near St. Cloud	1,788	3,911			0			0	(1,788)
Walker Nursing Facility	0	265			0	49	55	104	0
Alternative Care Program Shortfall	2,563	799		2,563	2,563	145	654	799	0
Reverse Mortgage Incentive ffp				181	181	106	106	212	181
Meeker County LTC				29	29			0	29
MA Approved Special Plan Needs Contracting				124	124	100	100	200	124
MR/RC Overspending Repayment Delay			1,500		1,500			0	1,500
GRH Residential Pilot Projected Established				168	168	168	168	336	168
Child Support Enforcement Fee	0	0			0			0	0
TANF Refinancing for Early Childhood	(10,067)	(20,134)			0			0	10,067
<i>Child Care--MFIPITY Provisions:</i>									0
Reimbursement Rate Adjustment					0	15,301	13,647	28,948	0
Accreditation Incentive (15%)					0	842	882	1,724	0
Reduce Copayments					0	665	657	1,322	0
Allow Half-Day Rates					0	486	487	973	0
Absent Day Policy Repeal					0	771	761	1,532	0
Chemical Use DHS Study and Duties				80	80	50	50	100	80
Post Adoption Search Services				7	7	7	7	14	7
MN Food Assistance Program			(361)	(452)	(813)	(432)	(432)	(864)	(813)
Reposition TANF to meet MOE			(7,484)	7,484	0				0
Avian Flu (Gov funds out of HCAF)				2,510	2,510			0	2,510
Restore Family Planning Grants					0	1,887	1,887	3,774	0
VHB: Consultant Study Recommendations	1,545	2,326		1,127	1,127	1,163	1,163	2,326	(418)
VHB Operational Shortfall	759	9,408		759	759	4,704	4,704	9,408	0
VHB Quality Assurance	5,122	5,348	2,448	2,674	5,122	2,674	2,674	5,348	0
Mental Health Access and Improvement--inc ffp	(252)	(552)		(252)	(252)	(319)	(233)	(552)	0
Deficit Reduction Act Compliance ffp	(518)	(795)		(518)	(518)	(507)	(288)	(795)	0
Pharmacy Payment Reform Advisory Group ffp				(30)	(30)			0	(30)
Reverse Mortgage Incentive ffp				(52)	(52)	(35)	(35)	(70)	(52)
MA Approved Special Plan Needs Contracting ffp				(40)	(40)	(40)	(40)	(80)	(40)
Chemical Use DHS Study and Duties ffp				(32)	(32)	(20)	(20)	(40)	(32)
Post Adoption Search Services--ffp				(2)	(2)	(2)	(2)	(4)	(2)
<b>Total: HHS Appropriation Changes</b>	<b>100,426</b>	<b>163,041</b>	<b>26,673</b>	<b>65,537</b>	<b>92,210</b>	<b>88,594</b>	<b>77,256</b>	<b>165,850</b>	<b>(8,216)</b>
<b>Revenue Changes</b>									
Mental Health Access\Improvement--county share	1,635	6,538		1,371	1,371	2,742	2,742	5,484	(264)
Mental Health Access\Improvement HCAF transfer	1,873	30,583			0			0	(1,873)
Sex Offender Commitment Growth--CSS service fe	2,642	3,454	1,093	1,549	2,642	1,318	1,508	2,826	0
Mentally Ill and Dangerous Pop Growth--cty. share	2,573	3,690	995	1,578	2,573	1,675	1,577	3,252	0
METO Commitment Growth--CSS service fees	3,289	4,832	1,086	2,682	3,768	3,032	3,032	6,064	479
SOS Salary Supplement--SOS collections	1,711	3,422			0			0	(1,711)
MR/RC Overspending Repayment Delay			(1,500)	3,000	1,500			0	1,500
Transfer from SR to SR fund				900	900			0	900
Tobacco funds balance transfers			2,933		2,933			0	2,933
<b>Total: HHS Revenue Changes</b>	<b>13,723</b>	<b>52,519</b>	<b>4,607</b>	<b>11,080</b>	<b>15,687</b>	<b>8,767</b>	<b>8,859</b>	<b>17,626</b>	<b>1,964</b>
<b>Health and Human Services Net Changes</b>	<b>86,703</b>	<b>110,522</b>	<b>22,066</b>	<b>54,457</b>	<b>76,523</b>	<b>79,827</b>	<b>68,397</b>	<b>148,224</b>	<b>(10,180)</b>
<b>OTHER BILLS</b> <i>(Italics = No Senate Action to Date)</i>									
<b>Spending Changes</b>									
<b>SF 3475: Capital Investment</b>									
Debt Service	4,869	49,572		7,738	7,738	25,149	48,853	74,002	2,869
Capital Projects	6,280	2,500		3,916	3,916			0	(2,364)
<b>Total: Debt Service Changes</b>	<b>11,149</b>	<b>52,072</b>	<b>0</b>	<b>11,654</b>	<b>11,654</b>	<b>25,149</b>	<b>48,853</b>	<b>74,002</b>	<b>505</b>
<i>SF 3631--Claims Bill</i>	<i>0</i>	<i>0</i>	<i>64</i>		<i>64</i>			<i>0</i>	
SF 2722--Pensions	0	0	378		378			0	64
SF 1459--School Employee Insurance Pool						3,000		3,000	378
Ch. 107: Medicare Part D Gap Funding	570	0	4,570		4,570			0	0
<b>Total: Other Bills Spending (Exc. SF 3475)</b>	<b>570</b>	<b>0</b>	<b>5,012</b>	<b>0</b>	<b>5,012</b>	<b>3,000</b>	<b>0</b>	<b>3,000</b>	<b>4,000</b>
<b>Revenue Changes</b>									<b>4,442</b>
Unemployment Insurance Policy Bill (SF 3109)				200	200	200	200	400	
Ch. 170: Medicare Part D Gap Funding	0	0	4,000		4,000			0	4,000
<b>Total: Other Bills Revenue Changes</b>	<b>0</b>	<b>0</b>	<b>4,000</b>	<b>200</b>	<b>4,200</b>	<b>200</b>	<b>200</b>	<b>400</b>	<b>4,200</b>
<b>Other Bills Net Changes</b>	<b>570</b>	<b>0</b>	<b>1,012</b>	<b>(200)</b>	<b>812</b>	<b>2,800</b>	<b>(200)</b>	<b>2,600</b>	<b>242</b>

**SF 3781: Senate Supplemental Budget Changes--As Recommended to Pass by Finance**  
**General Fund by Article (Page 1-4); Other Funds Combined (Page 5-8)**

(dollars in thousands)

<u>Gov</u>	<u>Gov</u>	<u>Sen</u>	<u>Sen</u>	<u>Sen</u>	<u>Sen</u>	<u>Sen</u>	<u>Sen</u>	<u>Sen-Gov</u>
<u>FY06-07</u>	<u>FY08-09</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY06-07</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY08-09</u>	<u>FY06-07</u>

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**SF 3781: Senate Supplemental Budget Changes--As Recommended to Pass by Finance**  
**General Fund by Article (Page 1-4); Other Funds Combined (Page 5-8)**

*(dollars in thousands)*

	Gov FY06-07	Gov FY08-09	Sen FY2006	Sen FY2007	Sen FY06-07	Sen FY2008	Sen FY2009	Sen FY08-09	Sen-Gov FY06-07
<b>AGRICULTURAL FUND</b>									
AG Ag Fertilizer Research & Ed Council					0			0	0
AG Ag Fertilizer Fee	0	0			0			0	0
Net Spending Change	0	0	0	0	0	0	0	0	0
<b>ENVIRONMENT/NATURAL RESOURCES TRUST</b>									
ENV LCMR Strategic Plan	300	0			0			0	(300)
ENV Fish and Wildlife Habitat Corridors	3,348	0			0			0	(3,348)
ENV Reinstate funding for Gov's 2005 Vetoes (SF2814)			1,724	1,724	3,448			0	3,448
ENV LCMR Administration (SF 2814)			100	450	550			0	550
Net Spending Change	3,648	0	1,824	2,174	3,998	0	0	0	350
<b>GAME AND FISH FUND</b>									
ENV Youth Deer License (SF 2974)	152	300	2	150	152	150	150	300	0
ENV Senior Trapper License (SF2974)				6	6	6	6	12	6
ENV Bovine Tuberculosis Control			340	60	400	60	60	120	400
ENV Ops/Svcs Prepay Boat Storage--REV (SF2969)	1	2		1	1	1	1	2	0
Net Spending Changes	153	302	342	217	559	217	217	434	406
<b>GREAT LAKES PROTECTION FUND</b>									
ENV Reinstate funding for Gov's 2005 Vetoes (SF2814)				28	28			0	28
Net Spending Changes	0	0	0	28	28	0	0	0	28
<b>HEALTH CARE ACCESS FUND</b>									
<b>Spending Changes</b>									
HHS Mental Health Access Improvement	1,493	15,645		1,493	1,493	6,752	8,893	15,645	0
HHS Mental Health Access Improvement TRN to GF	1,873	30,583			0			0	(1,873)
HHS Federal Deficit Reduction Act Compliance	1,720	1,270		1,039	1,039	430	430	860	(681)
HHS Exempt GAMC Enrollees from MNCare	(1,810)	(10,629)		(1,810)	(1,810)	(5,045)	(5,584)	(10,629)	0
HHS Elim. Depreciation Addback for Farm Self-Employed					0	1,056	1,084	2,140	0
HHS Elim. MNCare Limited Benefit Set					0	7,266	7,900	15,166	0
HHS MinnesotaCare Option for Small Employers				623	623	256	3,835	4,091	623
HHS MMIS Systems User Support (PDDP/Small Empl)				86	86	162	238	400	86
HHS Elim. 8% premium increase for MNCare				1,988	1,988	2,141	2,145	4,286	1,988
HHS Waive MNCare premiums for military and family					0	1,429	1,545	2,974	0
HHS Expand MNCare eligibility for adults wo/kids to 200% fpg				73	73	3,599	11,915	15,514	73
HHS Increase MNCare Inpatient hospital cap \$10K to \$20K					0	3,711	3,844	7,555	0
HHS Elim. Dental copays for adults wo/kids ,175% fpg					0	3,874	4,044	7,918	0
HHS Health Match Delay				929	929	7,640	4,183	11,823	929
HHS Elim. Insurance barriers for children > 150% fpg					0	6	989	995	0
HHS Permit MNCare for undocumented children					0	17	1,438	1,455	0
HHS Cover Medicare co-payments for dual-eligibles				11,483	11,483	11,945	12,301	24,246	11,483
HHS Reinstate MNCare Outreach grants				910	910	910	910	1,820	910
HHS Restore critical access dental payments				3,610	3,610			0	3,610
HHS Critical access dental grants to FQHC/Safety Net Clinics				300	300	300	300	600	300
HHS Healthcare grants to FQHC/Safety Net Clinics				1,505	1,505	1,500	1,500	3,000	1,505
HHS Provider rate increase through MNCare				6,605	6,605	6,605	6,605	13,210	6,605
HHS Pay for Performance in Basic Care	329	640		329	329	319	321	640	0
HHS MN Pharmacy Access Program	276	940			0			0	(276)
HHS Mn Pharmacy Access Program TRN to SR fund	0	2,566			0			0	0
HHS Prescription drug discount program				294	294	509		509	294
HHS Prescription drug discount program TRN to SR fund					0	1,925	916	2,841	0
HHS Medicare Part D Inform & Assistance	2,137	2,988			0			0	(2,137)
HHS Health Information Technology	11,000	1,000		9,414	9,414	293	293	586	(1,586)
HHS Avian Influenza Preparedness	10,500	21,000			0			0	(10,500)
HHS Hepatitis B Management for Immigrants	210	420			0			0	(210)
HHS Tuberculosis Management for Immigrants	290	580			0			0	(290)
HHS Health Care Program Asset Verification	0	(6,192)			0			0	0
HHS Rate Inc. for Facilities near St. Cloud	1,788	3,911			0			0	(1,788)
ED MCHA Assessment Reduction	10,000	20,000			0			0	(10,000)

**SF 3781: Senate Supplemental Budget Changes--As Recommended to Pass by Finance**  
**General Fund by Article (Page 1-4); Other Funds Combined (Page 5-8)**

(dollars in thousands)

	Gov FY06-07	Gov FY08-09	Sen FY2006	Sen FY2007	Sen FY06-07	Sen FY2008	Sen FY2009	Sen FY08-09	Sen-Gov FY06-07
ED U/Mayo Biotech and Genomics Partnership	18,000	0			0			0	(18,000)
SG PEIP Expansion for School Districts	2,320	0			0			0	(2,320)
HCAF Expenditure Changes	60,126	84,722	0	38,871	38,871	57,600	70,045	127,645	(21,255)
<b>Revenue Changes</b>									
HHS HCAF Revenue Changes--ffp total	812	748			0			0	(812)
Net Spending Changes	59,314	83,974	0	38,871	38,871	57,600	70,045	127,645	(20,443)

**HIGHER EDUCATION OFFICE**

HE Changes to SELF Loan Limits	9,000	26,000		9,000	9,000	12,000	14,000	26,000	0
HE Eligible Institutional Definition Method	(450)	(900)		(450)	(450)	(450)	(450)	(900)	0
Net Spending Changes	8,550	25,100	0	8,550	8,550	11,550	13,550	25,100	0

**HIGHWAY USERS TAX DISTRIBUTION FUND**

ENV Trails ATV Gas Tax Increase TO	600	1,200			0			0	(600)
Net Spending Changes	600	1,200							(600)

**LOTTERY PRIZE FUND**

SG Northstar Gambling Alliance (SF 930, 2nd Reading)	0	0	25	150	175	150	150	300	175
Net Spending Changes	0	0	25	150	175	150	150	300	175

**NATURAL RESOURCES FUND**

ENV Forestry/Timber Sales (SF2852)	(1,586)	(1,057)		(730)	(730)	(487)		(487)	856
ENV Forest Special Events (SF2852)				(15)	(15)	(15)	(15)	(30)	(15)
ENV Land Appraisal Fee-REV (SF 2852)	(45)	(90)		(45)	(45)	(45)	(45)	(90)	0
ENV Land Appraisal Costs-(SF 2852)	45	90		45	45	45	45	90	0
ENV Lands and Minerals/Land Sale Bill-REV (SF2851)	(25)	0		(25)	(25)			0	0
ENV Trails ATV Gas Tax Increase-Transfer In	(600)	(1,200)			0			0	600
ENV Trails ATV Gas Tax Increase-EXP	600	1,200			0			0	(600)
ENV Trails/Horse Trail Pass	(314)	(628)		(200)	(200)	(314)	(314)	(628)	114
ENV Trails/Horse Trail Pass	314	628		200	200	314	314	628	(114)
ENV DNR: Corp of Engineers Land				400	400			0	400
ENV Canoe Routes				65	65			0	65
Net Spending Changes	(1,611)	(1,057)	0	(305)	(305)	(502)	(15)	(517)	1,306

**SPECIAL REVENUE FUND**

HHS Child Supprt Enforcement Fee	255	680			0			0	(255)
HHS Child Supprt Enforcement Fee	(255)	(680)			0			0	255
ED SBIR--Access to Federal Grants REV	(10)	(40)		(10)	(10)	(15)	(25)	(40)	0
ED SBIR--Access to Federal Grants REV	10	40		10	10	15	25	40	0
ED HFA: Mortgage Foreclosure Prevention REV				(300)	(300)				(300)
ED HFA: Mortgage Foreclosure Prevention EXP				300	300				300
ENV Forest Mgmt. Svcs. to Landowners (SF2852)	(35)	(70)		(35)	(35)	(35)	(35)	(70)	0
ENV Forest Mgmt. Svcs. to Landowners (SF2852)	35	70		35	35	35	35	70	0
ENV Forestry/State Forest Fees REV (SF2852)	(45)	(90)			0			0	45
ENV Forestry/State Forest Fees (SF2852)	45	90			0			0	(45)
ENV Forestry/Timber Sales Bill REV	(159)	(106)		(194)	(194)	(129)		(129)	(35)
PS POST Board: Training Reimbursements	1,380	1,434			0			0	(1,380)
PS POST Board: Training Reimbursements-TRN	(1,380)	(1,434)		(200)	(200)	(200)	(200)	(400)	1,180
Net Spending Changes	(159)	(106)	0	(394)	(394)	(329)	(200)	(529)	(235)

**THE GOVERNMENT SPECIAL REVENUE**

Payment System Conversion	10	0	5	5	10			0	0
HHS Dentistry Board	67	134		67	67	67	67	134	0
HHS Emergency Medical Services Board	50	100		50	50	50	50	100	0
HHS Contested Case Mgmt--Med Practice Board	1,000	0	500	500	1,000			0	0
HHS Payment System Conversion--PT Board	9	0	9	0	9	0	0	0	0
HHS Assisted living req.; licensing and regulation				140	140	280	280	560	140
HHS Assisted living req.; licensing and regulation REV				(140)	(140)	(280)	(280)	(560)	(140)
ED Construction Codes Consolidation REV	(4,213)	(8,426)			0			0	4,213
ED Construction Codes Consolidation Exp	5,063	5,398			0			0	(5,063)



**SF 3781: Senate Supplemental Budget Changes--As Recommended to Pass by Finance**  
**General Fund by Article (Page 1-4); Other Funds Combined (Page 5-8)**

(dollars in thousands)

	Gov FY06-07	Gov FY08-09	Sen FY2006	Sen FY2007	Sen FY06-07	Sen FY2008	Sen FY2009	Sen FY08-09	Sen-Gov FY06-07
Net Spending Changes	1,986	(2,794)	514	622	1,136	117	117	234	(850)
<b>PERMANENT SCHOOL FUND</b>									
ENV Lands and Minerals/Land Sale-REV (SF2852)	(50)	0		(50)	(50)			0	0
ENV Forestry/Timber Sales Bill-REV (SF2851)	(482)	(321)		(205)	(205)	(137)		(137)	277
Net Spending Changes	(532)	(321)	0	(255)	(255)	(137)	0	(137)	277
<b>PETROLEUM TANK RELEASE CLEANUP</b>									
ED MNDOT reimbursement	900	0	450	450	900			0	0
Net Spending Changes	900	0	450	450	900	0	0	0	0
<b>TELECOMMUNICATIONS ACCESS FUND</b>									
ED COM: Deaf and Hard of Hearing--Tele Access Charge				(240)	(240)	(240)	(240)	(480)	
ED COM: Deaf and Hard of Hearing	0	0		240	240	240	240	480	240
Net Spending Changes	0	0	0	0	0	0	0	0	0
<b>TRUNK HIGHWAY FUND</b>									
DOT Increase Petroleum Delivery Budget	5,000	0			0			0	(5,000)
DOT Increase Road Construction Budget	83,000	0			0			0	(83,000)
Net Spending Changes	88,000	0			0			0	(88,000)
<b>WORKERS COMPENSATION FUND</b>									
ED Construction Codes Consolidation REV	(272)	(340)			0			0	272
ED Construction Codes Consolidation Exp	272	340			0			0	(272)
Net Spending Changes	0	0			0			0	0
<b>WORKFORCE DEVELOPMENT FUND</b>									
ED Northern Connections Pilot--West Central	0	0		250	250			0	250
ED Make MN Employ Ctr for Deaf and Hearing Imp. Permanent						150	150	300	0
ED Summer Youth Employment--Mpls	0	0	1,920	1,920	3,840	1,920	1,920	3,840	3,840
Net Spending Changes	0	0	1,920	2,170	4,090	2,070	2,070	4,140	4,090
<b>MISCELLANEOUS AGENCY</b>									
ENV Lands and Minerals/Land Sale-REV (SF2851)	(5)	0		(5)	(5)			0	0
Net Spending Changes	(5)	0	0	(5)	(5)	0	0	0	0
<b>FEDERAL TANF</b>									
EC TANF Refinancing for Early Childhood	10,067	20,134			0			0	(10,067)
EC Basic Sliding Fee--Reduce Waiting List				1,475	1,475			0	1,475
HHS Childcare maximum provider rate adj. MFIP/TY				14,036	14,036			0	14,036
HHS Childcare accreditation bonus--15% MFIP/TY				609	609			0	609
HHS Childcare--reduce copayments MFIP/TY				510	510			0	510
HHS Childcare--allow half-day rates MFIP/TY				298	298			0	298
HHS Childcare--absent day limits MFIP/TY				666	666			0	666
HHS Domestic Violence Information Brochure				51	51	51	51	102	51
HHS New Chance program				140	140	140	140	280	140
HHS MFIP Work participation rate enhancement				463	463	4,284	5,566	9,850	463
HHS Repeal \$50 MFIP subsidized housing penalty				2,459	2,459			0	2,459
HHS Reposition TANF to meet TANF MOE requirements			7,484	(7,484)	0			0	0
Net Spending Changes	10,067	20,134	7,484	13,223	20,707	4,475	5,757	10,232	10,640

**Sections to be Deleted from S.F. No. 3781**

<b>Article 2 Early Childhood Education</b>			
<b>Section</b>	<b>Description</b>	<b>Origin</b>	<b>Author</b>
Sections 2 to 6	Head Start.		
Section 9	Prekindergarten screening.	S.F. 2841	Hottinger
Sections 12 and 13	ECFE; expands to include relatives.		
Section 16, paragraph (b)	MELF membership.		
Sections 32 and 33	Child care provider training.		
Section 36	Head Start.		
Section 39	Early Childhood Integration Report.		
Section 43	Ramsey County Child Care Pilot Project.	S.F. 2679	Pappas
Section 45 (part)	Repealer of section 119A.51, obsolete Head Start definitions.		

# EDUCATION POLICY PROVISIONS

ARTICLE & SECTION TIED TO THE EDUCATION ARTICLES IN THE  
FINANCE BILL

ORIGIN

## *Article 3* *General Education*

Section 1. [Age Limitations; Pupils.] clarifies the age eligibility for free public schooling to be age 21 and until at least one of the following: the first September 1 after the pupil's 21 <sup>st</sup> birthday, completion of graduation requirements, withdrawal from school for more than consecutive 21 days, or the end of the school year.	Department S.F. 2994
Section 2. [Revenue Amount.] links the alternative compensation allowance of \$260 per pupil to the ratio of the formula allowance for the current fiscal year to the formula allowance for fiscal year 2007.	Governor S.F. 3274
Section 3. [Revenue Timing.] benchmarks the state total basic alternative teacher compensation aid entitlement allocated to charter schools to the ratio of the state total charter school enrollment for the previous fiscal year to the state total charter school enrollment for FY06 times the ratio of the formula allowance for the current fiscal year to the formula allowance for FY07.	Governor S.F. 3274
Section 4. [People to be Served.] clarifies the upper age limit as defined in Section 1.	Department S.F. 2994
Section 5. [Expenditures by Building.] clarifies how alternative teacher compensation revenue is reported for the purposes of reporting district expenditures.	Department S.F. 2994
Section 6. [Secondary School Programs.] clarifies enrollment eligibility for the pupil defined in Section 1.	Department S.F. 2994
Section 7. [Part-time Student Fee.] clarifies to whom the board may charge a fee.	Department S.F. 2994
Section 8. [Eligible Pupils.] clarifies eligibility for the purposes of participating in the graduation incentives program.	Department S.F. 2994
Section 9. [Eligible Programs.] clarifies eligibility for the purposes of enrolling in area learning centers.	Department S.F. 2994
Section 10. [Pupil Unit.] clarifies the upper age limit as defined in Section 1 for the purposes of calculating pupil units.	Department S.F. 2994
Section 11. [Definitions.] clarifies the definition of high school to mean public and non-charter for the purposes of calculating secondary and elementary sparsity revenue.	Department S.F. 2994
Section 15. [Basic alternative teacher compensation aid.] Converts the basic alternative teacher compensation aid from a calculation based on a percentage to one that is based on an allowance for fiscal year 2008 and later.	Governor S.F. 3274

# EDUCATION POLICY PROVISIONS

## ARTICLE & SECTION TIED TO THE EDUCATION ARTICLES IN THE FINANCE BILL

## ORIGIN

Section 16. [Payment to unemployment insurance program trust fund by state and political subdivisions.] requires that districts make a levy reduction each year and return the funds to the taxpayers in order to reduce their reserved funds for reemployment instead of using the reserved funds for future reemployment expenditures.	Department S.F. 2994
Section 17. [Safe Schools Levy.] clarifies that the proceeds of the safe schools levy be reserved prior to their use and removes unnecessary language relating to the school district's levy limitations.	Department S.F. 2994
Section 18. [Payments to School Nonoperating Funds.] provides the commissioner with additional authorization to make advance payments of state-paid tax credits to assist districts in meeting their cash flow needs.	Department S.F. 2994
Section 21. [Alternative Teacher Compensation Revenue for Special School District No. 6, South St. Paul.] qualifies Special School District No. 6, South St. Paul to receive alternative teacher compensation revenue for FY07 through FY11 and requires the revenue generated to be used for costs associated with implementing the International Baccalaureate Pilot Program.	Stumpf Amendment
Section 24. [Repealer.] repeals 120A.20, subdivision 3 (Pupils, at least 21 years of age).	Department S.F. 2994

## Article 4 Education Excellence

Section 1 [Parent Defined; Residency Determined.] paragraph (e) provides a process to determine a student's residency status if a district reasonably believes the student does not meet the district's residency requirements.	Department S.F. 2994
Section 2 [Required Academic Standards.] requires school districts to maintain their current physical education and health education requirements through the 2008-2009 school year. School districts must consult benchmarks developed by the Department's quality teaching network before subsequent revisions of the local standards. The Commissioner must include contributions of Minnesota American Indian tribes related to each of the academic standards during the review and revision of the standards.	Department S.F. 2994; Tomassoni S.F. 2585(phy- ed); Skoe (agriculture)
Section 3 [Rigorous course of study; waiver.] allows a student that satisfactorily completes an advanced placement or international baccalaureate course to satisfy the appropriate academic standards.	Department S.F. 2994
Section 4 [Benchmarks.]	Department S.F. 2994
Subdivision 1 [Benchmarks implement, supplement statewide academic standards.] directs the Commissioner to conduct a periodic review of the academic standards, instead of on a four-year cycle.	

# EDUCATION POLICY PROVISIONS

## ARTICLE & SECTION TIED TO THE EDUCATION ARTICLES IN THE FINANCE BILL

## ORIGIN

<p>Subdivision 2 [Revisions and reviews required.] paragraph (a) directs the Commissioner to embed technology and information literacy standards into the state's academic standards. Directs the Commissioner to consider alignment of the standards and benchmarks with the knowledge and skills students need for college readiness and advanced work in the particular subject area.</p>	
<p>Paragraph (b) directs the Commissioner to review the math standards in the 2006-2007 school year and for students to complete the revised standards beginning in the 2010-2011 school year. Requires eighth grade students to complete Algebra I. Requires Algebra II for students scheduled to graduate in the 2014-2015 school year.</p>	
<p>Paragraph (c) directs the Commissioner to review the arts standards in the 2007-2008 school year.</p>	
<p>Paragraph (d) directs the Commissioner to review the science standards in the 2008-2009 school year. A student scheduled to graduate in the 2014-2015 school year must satisfactorily complete a chemistry or physics credit.</p>	
<p>Paragraph (e) directs the Commissioner to review the language arts standards in the 2009-2010 school year.</p>	
<p>Paragraph (f) directs the Commissioner to review the social studies standards in the 2010-2011 school year.</p>	
<p>Paragraph (g) directs school districts and charter schools to review their local standards in health, physical education, world languages and career and technical education in a school year determined by the district or charter school.</p>	
<p><b>Effective Date:</b> Makes this section effective immediately.</p>	
<p><b>Section 5 [Graduation Requirements; Course Credits; Student Transfers.]</b> requires students graduating in the 2014-2015 school year to complete Algebra II. Requires a high school student to take one credit in either chemistry or physics, beginning in the 2011-2012 school year. Students may take an economics course taught in a district's agriculture education department. Students entering 9<sup>th</sup> grade in the 2006-2007 school year are required to complete a half credit in physical education and health education. Directs school districts, area learning centers, and charter school to establish a process to transferring completed credit requirements.</p>	<p>Department S.F. 2994; Tomassoni S.F. 2585 (phy- ed); Skoe (agriculture)</p>
<p><b>Effective Date:</b> Makes this section effective immediately.</p>	
<p><b>Section 6 [Reimbursement for Examination Fees.]</b> allows nonpublic high school students to be reimbursed for CLEP fees. Eliminates the requirement that a student earn a satisfactory score on one or more CLEP exam before being reimbursed.</p>	<p>Department S.F. 2994</p>
<p><b>Section 7 [School Safety.]</b></p>	<p>Kelley Amendment</p>
<p>Subdivision 1 [School Safety Advisory Council.] establishes a 12-member school safety advisory council appointed by the Commissioner.</p>	

# EDUCATION POLICY PROVISIONS

## ARTICLE & SECTION TIED TO THE EDUCATION ARTICLES IN THE FINANCE BILL

### ORIGIN

Subdivision 2 [Duties.] directs the council to advise the Commissioner on matters related to school safety and to make recommendations on creating a Center for School Safety.	
Subdivision 3 [Center for School Safety.] directs the Commissioner to establish the Center. The center shall:	
1) Establish a clearinghouse for information and materials concerning school safety;	
2) Provide safe school assessments;	
3) Provide training and technical assistance for staff, students, and parents;	
4) Provide services to enhance school climate;	
5) Coordinate school efforts with the broader community; and	
6) Evaluate and report on the implementation and effectiveness of the services provided by the center.	
Section 8 [Crisis Management Policy.] requires the model crisis management policy to include school lock-downs, fire drills, and tornado drills. Schools are required to have at least 5 lock-down drills, five fire drills, and one tornado drill.	Marty (S.F. 2292)
<b>Effective Date.</b> Makes the section effective for the 2006-2007 school year and later.	
Section 9 [Comprehensive family life and sex education programs.]	Pappas (S.F. 2977)
Subdivision 1 [Definitions.] defines “comprehensive family life and sexuality education” as education in grades seven through 12 that includes an abstinence-first approach to delaying initiation of sexual activity and the use of protection and contraception.	
Subdivision 2 [Curriculum requirements.] allows for a school district to independently establish their policy and curriculum.	
Subdivision 3 [Notice and parental options.] requires districts to establish procedures on providing parents or guardians with reasonable notice regarding the comprehensive family life and sex education program and the opportunity to inspect any educational materials. If the parent chooses not to have their child participate, the district must reasonably restrict that child’s access to the material.	
Subdivision 4 [Assistance to school districts.] indicates that the Department of Education may establish regional training sites to provide training, technical assistance, issue management and policy development, and funding for grants for school-based programs.	
Section 11 [Teacher and Support Personnel Qualifications.] requires teacher preparation programs to include technology and information literacy standards in the common core of teaching knowledge. The Board of Teaching must conduct a review of all standards of effective practice for teachers beginning in the 2007-2008 school year.	Governor S.F. 3274
<b>Effective Date:</b> Makes this section effective immediately.	
Section 12 [Requirements for American Sign Language/English Interpreters.] permits a district to hire an interpreter/transliterater who is deaf or hard of hearing.	Day (S.F. 2610)

# EDUCATION POLICY PROVISIONS

## ARTICLE & SECTION TIED TO THE EDUCATION ARTICLES IN THE FINANCE BILL

## ORIGIN

ARTICLE & SECTION TIED TO THE EDUCATION ARTICLES IN THE FINANCE BILL	ORIGIN
Section 13 [Qualified Deaf and Hard-of-Hearing interpreters/transliterators.] establishes the qualifications for a deaf or hard of hearing interpreter/transliterator.	Day (S.F. 2610)
Section 14 [Approval Process.] prohibits the Commissioner from imposing conditions outside of those in the statute for approving or disapproving applications for alternative teacher professional pay plans.	Kelley Amendment
Section 15 [Report; Continued Funding.] directs the Commissioner to judge a participants approved alternative teacher professional pay plan based on the participant's plan and not other criteria.	Kelley Amendment
Section 17 [Statement for Comparison and Correction.] directs the Commissioner to convert audited financial data into the consolidated financial statement format and publish the information on the department's Web site.	Bonoff (S.F. 2954)
Effective Date: Makes the section effective for financial statements prepared in 2006 and later.	
Section 18. [Student training.] requires that all students in grade 9 or 10 receive training in the laws and procedures of driving near school buses. Upon the request of the superintendent, the district's transportation director must certify to the superintendent that all students being transported by bus within the district have received bus safety training.	Skoe (S.F. 3412)
Effective Date: Makes the section effective July 1, 2006.	
Section 19 [Compliance by nonpublic and charter schools.] requires that a nonpublic or charter school student transported by a public school to comply with student bus conduct and student bus discipline policies of the transporting district.	Skoe (S.F. 3412)
Effective Date: Makes the section effective July 1, 2006.	
Section 20 [Definitions.] allows a school district to designate a school day care facility as the home of a pupil for part or all of the day for the purposes of providing transportation to and from school.	Skoe (S.F. 3412)
Section 21 [District reports.] allows a school district to report salary and fringe benefit costs for employees who work part time in transportation and part time in another areas if the district maintains documentation of the employee's time spent on pupil transportation matters.	Skoe (S.F. 3412)
Effective Date: This section is effective for fiscal year 2006.	
Section 22 [Authorization; Notice; Limitation on Enrollment.] requires an on-line learning student to give the enrolling district 45 days, instead of 30 days, notice before taking an on-line learning course.	Saxhaug (S.F. 3111)
Section 23 [Online Learning Parameters.] allows a student with disabilities to enroll in an online learning course or program without a predetermination by the student's IEP team.	Department S.F. 2994

# EDUCATION POLICY PROVISIONS

## ARTICLE & SECTION TIED TO THE EDUCATION ARTICLES IN THE FINANCE BILL

## ORIGIN

Section 24 [On-Line Learning Aid.] updates the aid payment percentage for the online learning program.	Stumpf Amendment
Section 25 [Transportation.] clarifies that a charter school must notify the school district whether or not it will be using the transportation services of the school district in which it is located.	Department S.F. 2994
Section 26 [Payment of Aids to Charter Schools.] updates the aid payment percentages for charter schools and allows for the return of state aids if a charter school closes.	Department S.F. 2994
Section 27 [General Requirements for Programs.] establishes minimal components for programs serving Limited English Proficiency (LEP) students.	Department S.F. 2994
Section 28 [Child with a Disability.] includes blindness in the definition of child with a disability.	Clark (S.F. 3535)
Effective Date: Makes the section effective immediately.	
Section 29 [Litigation Costs; Annual Report.] requires school district to make an annual report to the Commissioner on the district's special education litigation costs, including attorney's fees.	Pogemiller (S.F. 2588)
Section 30 [School bus.] conforms the definition of a type A and type C school bus to the new national standards.	Skoe (S.F. 3412)
Effective Date: Makes the section effective January 1, 2007.	
Section 31 [Driver seat belt.] clarifies that all school buses and Head Start buses manufactured after 1994 must have driver seat belts.	Skoe (S.F. 3412)
Effective Date: Makes the section effective July 1, 2006.	
Section 32 [National standards adopted.] updates the reference to the "National School Transportation Specifications and Procedures" 2005 edition.	Skoe (S.F. 3412)
Effective Date: Makes the section effective January 1, 2007.	
Section 33 [Applicability.] makes the new standards apply to school buses manufactured after December 31, 2006.	Skoe (S.F. 3412)
Effective Date: Makes the section effective January 1, 2007.	
Section 34 [Electrical system; battery.] increases the minimum amperage of school bus generators and alternators to 130 amperes.	Skoe (S.F. 3412)
Effective Date: Makes the section effective January 1, 2007.	
Section 35 [Seat and crash barriers.] requires school bus seats to have a minimum mounting height of 15 inches and a seat back height of at least 20 inches above the seating reference point.	Skoe (S.F. 3412)
Effective Date: Makes the section effective January 1, 2007.	



# EDUCATION POLICY PROVISIONS

## ARTICLE & SECTION TIED TO THE EDUCATION ARTICLES IN THE FINANCE BILL

## ORIGIN

<p><b>Section 36 [Training.]</b> allows a school bus driver, after completing the bus driver training competencies, to receive at least eight hours of school bus in-service training as an alternative to being assessed for bus driver competencies.</p> <p><b>Effective Date:</b> Makes the section effective July 1, 2006.</p>	Skoe (S.F. 3412)
<p><b>Section 37 [Annual evaluation and license verification.]</b> clarifies that by June 30 of each year the district shall provide in-service training and verify the validity of employee drivers' licenses. Limits the fees charged to members of a nonprofit bus drivers' trade association for accessing certain drivers license information to not more than the fees charged to school districts for the same information.</p> <p><b>Effective Date:</b> Makes the section effective July 1, 2006.</p>	Skoe (S.F. 3412)
<p><b>Section 38 [Fire Drill In School; Doors and Exits.]</b> clarifies that nonpublic schools and educational institutions not subject to crisis management policies to have at least one drill each month during the school year.</p> <p><b>Effective Date:</b> Makes the section effective for the 2006-2007 school year and later.</p>	Marty (S.F. 2292)
<p><b>Section 39 [Persons Mandated to Report.]</b> directs and agency that receives a report under the maltreatment of minors law to immediately notify a responsible agency if the initial agency determines that it is not responsible for investigating the report.</p>	Kelley (S.F. 3495)
<p><b>Section 40 [Department of Education Responsible for Assessing or Investigating Reports of Maltreatment.]</b> establishes the Department of Education as the agency responsible for investigating maltreatment allegations in schools unless the alleged maltreatment occurred in a program or facility licensed by the Commissioner of Human Services.</p>	Kelley (S.F. 3495)
<p><b>Section 41 [Local Welfare Agency, Department of Human Services, or Department of Health.]</b> establishes the county local welfare agency as the agency responsible for investigating allegations of maltreatment that are not the responsibility of another agency.</p>	Kelley (S.F. 3495)
<p><b>Section 42 [Examination Fees; Teacher Training and Support Programs.]</b> provides flexibility in administering the Advanced Placement/International Baccalaureate programs so unused teacher training funding may be used for exam fees.</p> <p><b>Effective Date:</b> Makes this section effective immediately.</p>	Department S.F. 2994
<p><b>Section 43 [Rule on Visually Impaired to Include References to Blind and Blindness.]</b> directs the Commissioner to include references to "blind" and "blindness" into the definition of visually impaired.</p>	Clark (S.F. 3535)
<p><b>Section 46 [2006 School Accountability Report.]</b> allows the Department to delay posting the 2006 school performance reports cards and adequate yearly progress data until no later than November 30, 2006.</p>	Department S.F. 2994
<p><b>Section 49 [Repealer.]</b> paragraph (a) repeals sections 121A.23 (Programs to prevent and reduce the risks of sexually transmitted infections and diseases.) and 123B.79 (Structurally balanced school district budgets.)</p>	Pappas (S.F. 2977)

# EDUCATION POLICY PROVISIONS

## ARTICLE & SECTION TIED TO THE EDUCATION ARTICLES IN THE FINANCE BILL

## ORIGIN

Paragraph (b) repeals sections 169.4502, subdivision 15 (Oil filter or oil filtration system.), 169.4503, subdivisions 17 (Mirrors.), 18 (Overall width.) and 26 (Crossing control arm.)

### *Article 5* *Special Education*

Section 1. [Expenditures by Building.] requires that all expenditures for special education instruction and services and transportation be reported separately for nonpublic school pupils and public school pupils.	Scheid Amendment
Section 2. [Nonresident Tuition Rate; Other Costs.] paragraph (a). clarifies and conforms the way in which the nonresident tuition rate is calculated.	Governor S.F. 3274
Paragraph (c). Includes a school district that served as the applicant agency for a group of school districts in the list of entities that are allowed to apply to the commissioner for authority to charge the resident district an additional amount to recover unreimbursed costs of serving pupils with a disability.	Lourey (S.F. 3243)
Paragraph (d). excludes alternative teacher compensation revenue in the sum of the general education revenue for the purposes of calculating special education nonresident tuition rate.	Governor S.F. 3274
Effective date. This section is effective for fiscal year 2006.	
Section 3. [Approval of Education Programs.] removes outdated and unnecessary citations and clarifies that the statute applies only to Department of Human Services or Department of Corrections licensed care and treatment facilities.	Department S.F. 2994
Section 4. [Responsibilities for Providing Education.] removes redundant language stating that placement in a licensed facility does not alter a student's eligibility for special education.	Department S.F. 2994
Section 5. [Education Programs for Students Placed in Licensed Facilities.] clarifies that the statute applies only to Department of Human Services or Department of Corrections licensed care and treatment facilities.	Department S.F. 2994
Section 6. [Exit Report Summarizing Education Progress.] clarifies that the statute applies only to Department of Human Services or Department of Corrections licensed care and treatment facilities.	Department S.F. 2994
Section 7. [Minimum Education Services Required.] clarifies that the statute applies only to Department of Human Services or Department of Corrections licensed care and treatment facilities.	Department S.F. 2994

# EDUCATION POLICY PROVISIONS

## ARTICLE & SECTION TIED TO THE EDUCATION ARTICLES IN THE FINANCE BILL

## ORIGIN

<p><b>Section 8. [Reimbursement for Education Services.]</b> clarifies that the statute applies only to Department of Human Services or Department of Corrections licensed care and treatment facilities.</p>	<p>Department S.F. 2994</p>
<p><b>Section 9. [Students Unable to Attend School But Not Covered Under This Section.]</b> clarifies that students who are unable to attend school for 15 or more days due to accident or illness are entitled to education services set forth in Minnesota Rule 3525.2325.</p>	<p>Department S.F. 2994</p>
<p><b>Section 10. [Advisory Committees.]</b> requires that the advisory committee submit annual report in a form prescribed by the commissioner. Authorizes the department, rather than the Special Education Advisory Council, to establish an advisory committee for each resource center.</p>	<p>Department S.F. 2994</p>
<p><b>Section 11. [Travel Aid.]</b> clarifies that district reimbursement for necessary travel and personnel is defined as a mileage reimbursement rather than the capital cost of vehicles purchased or leased for use of essential personnel providing home-based services.</p>	<p>Department S.F. 2994</p>
<p><b>Section 12. [Definitions.]</b> excludes alternative teacher compensation revenue from the definition of general education revenue for the purpose of calculating special education excess cost aid.</p>	<p>Department S.F. 2994</p>
<p><b>Section 14. [Intermediate District Special Education Tuition Billing for Fiscal Years 2006 and 2007.]</b> allows intermediate districts to apply to the commissioner for a waiver to continue billing in a manner prescribed by law prior to FY06 for FY06 and FY07 only.</p>	<p>Skogland (S.F. 3133)</p>
<p><b>Section 17. [Department of Education Rules.]</b> requires the department to amend rules to conform with the care and treatment facilities language changes.</p>	<p>Department S.F. 2994</p>
<p><b>Section 18. [Repealer.]</b> repeals the definition of care and treatment placement.</p>	<p>Department S.F. 2994</p>

## *Article 6 Facilities, Accounting, and Technology*

<p><b>Section 1. [Citation.]</b> strikes "Secondary" from "Cooperative Secondary Facilities Grant Act."</p>	<p>Rosen (S.F. 3267 &amp; Kubly (S.F. 2936)</p>
<p><b>Section 2. [Policy and Purpose.]</b> expands the cooperative secondary facilities program to all cooperative facilities, not only secondary facilities.</p>	<p>Rosen (S.F. 3267 &amp; Kubly (S.F. 2936)</p>
<p><b>Section 3. [Approval Authority; Application Forms.]</b> conforms the application and approval process to include all cooperative facilities, not only secondary facilities.</p>	<p>Rosen (S.F. 3267 &amp; Kubly (S.F. 2936)</p>

# EDUCATION POLICY PROVISIONS

## ARTICLE & SECTION TIED TO THE EDUCATION ARTICLES IN THE FINANCE BILL

## ORIGIN

ARTICLE & SECTION TIED TO THE EDUCATION ARTICLES IN THE FINANCE BILL	ORIGIN
Section 3. [Tuition Reduction.] clarifies ambiguity in the law regarding the payment of compensatory revenue to the Minnesota State Academies.	Department Amendment
Section 4. [Student count; Tuition.] clarifies ambiguity in the law regarding the payment of compensatory revenue to the Minnesota State Academies.	Department Amendment
Section 5. [Annual Appropriation.] clarifies ambiguity in the law regarding the payment of compensatory revenue to the Minnesota State Academies.	Department Amendment
Section 6. [Out-of-State Admissions.] conforms the law to reflect how that State Academies categorize the tuition received from other states as special revenue. This section is retroactive to fiscal year 2001.	Department S.F. 2994

## *Article 9 Forecast*

## *Article 10 Technical and Conforming*

Section 1 [Adopting Policies.] makes a technical correction.	
Section 2 [Requirements for Immunization Statements.] deletes obsolete language.	
Section 3 [Agreement.] makes a technical correction.	
Section 4 [Governance.] makes a technical correction.	
Section 5 [Equity Revenue.] makes a technical correction.	
Section 6 [Definitions.] makes a technical correction.	

**Article 11  
Higher Education**

<b>Section</b>	<b>Description</b>	<b>Origin</b>	<b>Author</b>
Sections 4 and 5	Reinstates funding formula language	Div Report	Pappas
Section 6	Provides for the submission of data to the Office of Higher Education	Gov Rec	Pappas
Section 7	Definition of "resident student" for tuition purposes	S.F. 2876	Pappas
Section 8	Deletes language pertaining to submission of U of M and MnSCU performance reports	Gov Rec	Pappas
Sections 9, 10	Delete obsolete language and incorrect terminology	S.F. 3058	Pappas
Section 16	Codifies definition of "eligible cosigner" for purposes of SELF loan	Gov Rec	Pappas
Section 17	Authorizes the Office of Higher Education to do interest swaps	Gov Rec	Pappas
Section 18	Makes the names and addresses of financial aid participants private data	Gov Rec	Pappas
Section 21	Eliminates institutions in a Canadian province from eligibility to participate in SELF loan	Gov Rec	Pappas
Section 22	Makes SELF loan cosigners jointly and separately responsible for payments	Gov Rec	Pappas
Section 23	Authorizes the Office of Higher Education to establish a loan rehabilitation program	Gov Rec	Pappas
Section 24	Authorizes the Office of Higher Education to grant "temporary disability" status to students in repayment	Gov Rec	Pappas
Section 25	Authorizes additional term of state work study payment	Gov Rec	Pappas
Section 26	Delete obsolete language and incorrect terminology	S.F. 3058	Pappas
Section 27	MnSCU board must have one representative of labor and one representative of business	S.F. 3657	Tomassoni
Section 28	MnSCU activity fund receipts not subject to the control of the commissioner of finance	S.F. 3058	Pappas
Section 29	Codifies the manner in which MnSCU deposits its receipts	S.F. 3058	Pappas
Section 32	Makes temporary provisions for the approval of higher education degrees	Div Report	Pappas
Section 33	Directs the Office of Higher Education to convene a group to study the cost of textbooks	S.F. 3608	Robling
Section 34	Authorizes the construction of an academic building at MN State Mankato using nonstate money	S.F. 2716	Hottinger
Section 35	University of Minnesota licensing agreement study	Finance amendment	Neuville
Section 36	Instruction to revisor	Gov Rec	Pappas
Section 37	Financial aid eligibility rule expiration	Div Report	Pappas
Section 38	Repealers: Minnesota Statutes 2004, section 135A.031, subdivision 5: Adjustment for performance Minnesota Statutes 2004, section 135A.033: Performance funding Minnesota Statutes 2004, section 136A.15, subdivision 5: Province Minnesota Statutes 2004, section 136A.1702: Commission approval Minnesota Statutes Supplement 2005, section 135A.031, subdivision 3: Determination of instructional services base Minnesota Statutes Supplement 2005, section 135A.031, subdivision 4: Enrollments for budgeting Minnesota Rules, part 4850.0011, subpart 9: Creditworthy cosigner Minnesota Rules, part 4850.0011, subpart 10: Cosigners Minnesota Rules, part 4850.0011, subpart 14: Eligible School Minnesota Rules, part 4850.0011, subpart 27: Repayment period Minnesota Rules, part 4850.0014, subpart 1: Loan amounts	Gov Rec	Pappas

**Article 12  
Environment, Natural Resources, and Agriculture**

<b>Section</b>	<b>Description</b>	<b>Origin</b>	<b>Author</b>
Section 14	Wildlife Feeding Restrictions – Bovine TB areas.	S.F. 2926	Skoe
Section 15	Dry Cleaner Response Action		Sams
Section 17	Community Wind Energy Rebate	S.F. 3305	Anderson
Section 18	LCMR Carryforward	S.F. 3305	Anderson
Section 19	Repeal of Agriculture Report Requirement	S.F. 3317	Michel

**Article 13  
Clean Water Legacy**

Section 7	Nutrient loading offset.	S.F. 2448	Bakk
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**Article 14  
Economic Development**

<b>Section</b>	<b>Description</b>	<b>Origin</b>	<b>Author</b>
Section 9	Sustainable Energy in buildings	S.F. 2677	Pappas
Section 10	Designates Unclassified Position	Gov Rec	
Section 11	Clarifies fuel franchises	S.F. 3650	Sparks
Section 12	Franchise Alternative Compliance	S.F. 3650	Sparks
Section 13	Retail and transport vehicles	S.F. 3331	Sparks
Section 14	Report from Rural Policy Center	S.F. 3566	Stumpf
Section 18	Job Skills Partnership Program Grants	Gov Rec	
Section 19	Pathways Program(Jobs)	Gov Rec	
Section 20	Job Skills Partnership Program Grants	Gov Rec	
Section 21	Apprentice Wages Clarification	S.F. 3781	Bakk
Section 22	Definition of Boilers for Inspection	S.F. 3781	Sams
Section 23	Extends Utility Assessments	S.F. 3781	Anderson
Section 24	Extends Energy Incentive Payments	S.F. 3781	Anderson
Section 25	Extends Energy Eligibility Window	S.F. 3609	Bonoff
Section 26	Extends Energy Incentive Time Period	S.F. 3609	Bonoff
Section 27	IRRRB-Defines Agency & Staff	H.F. 3058	Bakk
Section 28	IRRRB-Defines Leases & Deposits	H.F. 3058	Bakk
Section 29	IRRRB-Defines Annual Budgets	H.F. 3058	Bakk
Section 30	IRRRB-Defines Budget Approval Process	H.F. 3058	Bakk
Section 31	IRRRB-Defines Taconite Area Fund	H.F. 3058	Bakk
Section 32	IRRRB-Defines Appropriations	H.F. 3058	Bakk
Section 33	IRRRB-Defines Project Approval Process	H.F. 3058	Bakk
Section 34	IRRRB-Defines Long Range Planning	H.F. 3058	Bakk
Section 35	Requires Carbon Monoxide Alarms-Definitions	S.F. 1003	Pariseau
Section 36	Requires Carbon Monoxide Alarms	S.F. 1003	Pariseau
Section 37	Requires Carbon Monoxide Alarms-Enforcement	S.F. 1003	Pariseau

<b>Section</b>	<b>Description</b>	<b>Origin</b>	<b>Author</b>
Section 39	State Fair Camping Area Eligibility	S.F. 3781	Sams
Section 56	Executive Director of PFA is unclassified	Gov Rec	
Section 57	Increase PFA Bonding Authority	Gov Rec	
Section 58	Polluted Land Cleanup-Defines Jobs/Housing	S.F. 2705	Senjem
Section 59	Requires Carbon Monoxide Alarms-Eff Date	S.F. 1003	Pariseau



**Article 16  
Public Safety**

<b>Section</b>	<b>Description</b>	<b>Origin</b>	<b>Author</b>
Section 9	Clarification of last year's sex offender assessment reimbursements appropriation.	S.F. 2792	Ranum
Section 32	Minnesota sentencing guidelines piece – not directly tied to appropriation. However, has large financial cost associated with it.	S.F. 3520	Ranum

**Article 17**  
**State Government**

<b>Section</b>	<b>Description</b>	<b>Origin</b>	<b>Author</b>
Section 10	Expenses of governor-elect	S.F. 3404	Kiscaden
Section 13	Tribal ID requirements for elections.	S.F. 3863	Koch
Section 14	MASC lease extensions.	S.F. 3429	Rest
Section 15	MPR salary disclosure requirements.		Cohen

**Article 19  
Health Department**

<b>Section</b>	<b>Description</b>	<b>Origin</b>	<b>Author</b>
Section 2	Hospital moratorium exceptions that are budget neutral.	S.F. 2630 S.F. 3098	Sams Berglin
Sections 3 and 4	Establish a new process for approving hospital moratorium exceptions that is paid for by applicant hospitals.	S.F. 3098	Berglin
Sections 6 to 9 and 11	Lead abatement program.	S.F. 3221	Higgins
Section 10	MA coverage for lead risk assessments (no state \$ since the counties are responsible for the state share).	S.F. 3221	Higgins
Sections 12 to 16	Biomonitoring program.	S.F. 979	Lourey
Sections 18 to 20	Lead reduction study, revisor instruction, and repealer (lead related).	S.F. 3221	Higgins

**Article 20  
Health Care**

Section 25	MA coverage for lead risk assessment (no state \$ since the counties are responsible for the state share – connected to Article 19 section 10).	S.F. 3221	Higgins
Section 61	Requires DHS to provide a status report that includes certain information. No fiscal note.	S.F. 2080	Lourey

**Article 23  
Miscellaneous  
Health and Human Services**

Section 1	Designation of essential community providers.	S.F. 2726 and S.F. 2793	Berglin
Section 2	Definition of governmental unit in MMCAP. (same language is in the state government policy bill).	S.F. 3355	Lourey
Sections 3, 5, and 6	Prescription electronic reporting system	S.F. 2899	Berglin
Section 4	Prohibition of lead jewelry.	S.F. 3221	Higgins

**Article 24  
Children and Families Programs and Services**

Section	Description	Origin	Author
<b>Article 24 Children and Families Programs and Services</b>			
Section 2	Child care assistance; adding a category to the priority list.	DHS bill	
Section 6	DHS licensing; setting aside a disqualification.	S.F. 3013	Berglin
Sections 25, 29, and 30	Free reports.	S.F. 2535	Lourey
Section 31	Authorizing the Department of Human Services to give direction to counties and tribes regarding new TANF regulations.		
<b>Article 25 Mental Health and Chemical Health</b>			
Sections 6, 7, and 8	Chemical Health Border Bill.	S.F. 3265	Rosen
Sections 9 and 10	Ombudsman for Mental Health.		
<b>Article 26 Health and Human Services Appropriations</b>			
Sections 9 - 11	Codifies longstanding riders		


**Senate Counsel, Research,  
and Fiscal Analysis**














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# Senate

State of Minnesota

## S.F. No. 3781 - Supplemental Appropriations Bill

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**Date:** April 19, 2006

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### Article 1 Appropriation Summary

SC4643 appropriates about \$204 million from the general fund to supplement the operations of state agencies for the remainder of the biennium. The largest general fund appropriations are for the following purposes:

Child care	\$12.3
Onetime supplemental aid to schools	\$32.2
University of Minnesota at Rochester	\$5.0
Clean Water Legacy	\$20.0

Incarcerating offenders, other than sex offenders	\$6.4
Committing sex offenders to security hospitals	\$36.3
Committing mentally ill and dangerous offenders to security hospitals	\$33.6
Providing extended treatment options for the mentally retarded	\$5.3
Quality assurance at state veterans homes	\$5.1

Significant appropriations from other funds include:

**Health Care Access Fund**

Cover medicare co-payments for dual-eligibles	\$11.5
MinnesotaCare provider rate increase	\$6.6
Health information technology	\$9.4

**Federal TANF**

Childcare provider rate increase	\$14.0
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**Article 2  
Early Childhood Education**

**Section 1** is the appropriations summary.

**Sections 2 and 3 (119A.50, subdivision 1, 119A.52)** modify the distribution of the Head Start appropriation. Language is stricken that allows the commissioner to provide additional funding to grantees for start-up costs incurred by grantees due to increased number of children served. The commissioner must notify each program of its initial allocation, how the money must be used, and the number of low income children to be served with the allocation based upon the federally funded per child rate. Each program must present a plan as required under Minnesota Statutes, section 119A.535.

**Section 4 (119A.53)** makes technical conforming changes.

**Section 5 (119A.535)** provides new Head Start application requirements. Head Start organizations must submit a plan to the commissioner for approval on a form and in the manner prescribed by the commissioner. This section lists what must be included in the plan.

**Section 6 (119A.545)** makes technical conforming changes.

**Section 7 (119B.13, subdivision 1)** modifies child care assistance rates paid to providers. This section requires that, beginning July 1, 2006, the maximum rate paid for child care assistance be the 75th percentile rate for like child care arrangements, except that in counties where the maximum rate is set at the 100<sup>th</sup> percentile on January 1, 2006, the maximum shall continue at the 100 percentile. This section also requires the commissioner to determine the maximum rate for school age care on a half-day basis.

**Section 8 (119B.13, subdivision 3a)** allows a child care provider or child care center to be paid a 15 percent differential above the maximum rate, up to the actual provider rate, if the provider or center holds a current early childhood development credential or is accredited. This section defines credential and accreditation for both family child care providers and child care centers.

**Section 9 (121A.17, subdivision 3)** requires that the social/emotional component of the developmental assessment for children between the ages of three and six be completed using an instrument approved by the Commissioner of Education, and consistent with the standards of the Commissioners of Health and Human Services.

**Section 10 (121A.19)** clarifies state aid amounts for screening done by school districts for children between the ages of three and six.

**Section 11 (124D.129)** creates the education parents partnership. The commissioner is required to work in partnership with health care providers and community organizations to provide parent education information to parents of newborns at the time of birth. The commissioner is required to develop a Web site that promotes, at a minimum, the department Web site for information and links to resources on child development, parent education, child care, and consumer safety information.

**Sections 12 and 13 (124D.13, subdivisions 2 and 3)** expand ECFE to include "other relatives."

**Section 14 (124D.135, subdivision 1)** increases ECFE revenue from \$104 to \$120 for fiscal year 2007 and later.

**Section 15 (124D.136)** establishes the kindergarten entrance assessment initiative.

**Subdivision 1** requires the commissioner of education to establish a method for assessing the school readiness of children entering kindergarten. Over a three-year period, school sites may implement the kindergarten entrance assessment initiative starting with the schools with the highest rank under the first-grade preparedness program. The first-grade preparedness program ranks all school sites from highest to lowest based on the site's free and reduced lunch count as a percentage of fall enrollment, with the highest incidence of free and reduced lunch receiving the highest rank.

In fiscal year 2008, 30 percent of children entering kindergarten will be asked to participate, in 2009, 50 percent of children entering kindergarten will be asked to participate, and in 2010, 100

percent of children entering kindergarten will be asked to participate in the kindergarten entrance assessment initiative.

**Subdivision 2** establishes the intervention program, to provide additional instruction to children who are assessed and identified as being not yet ready for kindergarten. A school site that participates in the kindergarten entrance assessment initiative must complete the requirements of this section within the available K-12 funding sources. At the end of the kindergarten school year, the district must reassess each child who receives an intervention to evaluate the progress of the child over the kindergarten school year, and the success of the intervention strategy. The district must report the results to the commissioner.

**Subdivision 3** requires the commissioner to report annually to the senate and house committees having jurisdiction over early childhood education issues on the results of the kindergarten entrance assessment initiative, and the results of the intervention program.

**Section 16 (124D.175)** amends the Minnesota Early Learning Foundation (MELF). Retroactive to July 1, 2005, the contents of the board is modified, allowing seven voting members, and nonvoting members from the executive branch, which include the Commissioners of Education and Human Services, and the Legislature. The four Legislative members are appointed by the Speaker of the House, the minority leader in the House, the majority leader in the Senate, and the minority leader in the Senate.

This section also requires MELF to evaluate the effectiveness of the voluntary NorthStar Quality Improvement and Rating System. The NorthStar Quality Improvement and Rating System must:

- (1) provide information to parents on child care and early education program quality and ratings;
- (2) set indicators to identify quality in care and early education settings;
- (3) provide funds for provider improvement grants and quality achievement grants;
- (4) require providers to incorporate the early learning standards in their curriculum and develop appropriate child assessments;
- (5) determine the effectiveness of the NorthStar Quality Improvement and Rating System in improving child outcomes and kindergarten readiness; and
- (6) align current and new state investments to improve child care and early education quality with the NorthStar Quality Improvement and Rating System framework, by providing accountability and informed parent choice.

MELF is required to report back to the legislature by January 15, 2008, on the progress being made on the NorthStar Quality Improvement and Rating System.

**Section 17 (124D.518, subdivision 4)** amends the adult basic education definition statute by modifying the definition of "first prior program year", to align with the academic year.



**Section 18 (124D.52, subdivision 1)** modifies adult basic education program requirements by requiring state-approved adult basic education programs that offer high school credit toward an adult high school diploma to meet the Adult Basic Education Standards.

**Section 19 (124D.531, subdivision 1)** amends the state total adult basic education aid by increasing the aid for 2006, 2007, and later years.

**Sections 20 to 31 (125A.27, subdivisions 3, 7, 8, 11, 15, and 18, 125A.28, 125A.29, 125A.30, 125A.32, 125A.33, and 125A.48)** amend the interagency early childhood intervention systems, by correcting cross-references and making changes to comply with federal law.

**Section 32 (245A.023)** requires family and group family child care license holders and primary caregivers to complete 12 hours of training each year.

**Section 33 (245A.14, subdivision 9a)** requires child care providers to complete at least two hours of childhood development training.

**Section 34** adds language stating that the Head Start program balance in the first year does not cancel, but is available in the second year.

**Sections 35 to 37** amend appropriations.

**Section 38** establishes an adult literacy grant program for recent immigrants to Minnesota in order to meet the English language needs of refugees and immigrants. The commissioner is required to award grants to organizations providing adult literacy services in order to help offset the additional costs due to unanticipated high enrollments of recent refugees and immigrants.

**Section 39** allows any school district, charter school, Head Start program, or other public or private entity, for fiscal years 2007 to 2010, to work together and develop a pilot project to demonstrate the efficacy of integrating early childhood education and care with elementary grades.

**Section 40** requires the commissioner of education, in consultation with the commissioner of human services, to contract with a qualified independent contractor to determine appropriate criteria and structure for certifying child care programs and providers based on a high quality school readiness component in the child care setting. The report is due December 15, 2006.

**Section 41** provides a new parent fee schedule for co-payments paid by parents who are using the child care assistance program.

**Section 42** establishes the legislative commission to end poverty in Minnesota by 2020.

**Section 43** establishes the Ramsey County Child care Pilot Program for teen parents.

**Section 44** amends appropriations.

**Section 45** repeals Head Start program definitions that are replaced by the changes in this article, the child care absent day statute, and the current parent fee schedule.

### **Article 3 General Education**

**Section 1 [Age Limitations; Pupils.]** clarifies the age eligibility for free public schooling to be age 21 and until at least one of the following: the first September 1 after the pupil's 21st birthday, completion of graduation requirements, withdrawal from school for more than consecutive 21 days, or the end of the school year.

**Section 2 [Revenue Amount.]** allows the alternative compensation formula allowance to grow proportionately to the basic formula allowance in fiscal year 2008 and later.

**Section 3 [Revenue Timing.]** increases total alternative compensation revenue by an amount equal to the growth in the alternative compensation formula.

**Section 4 [People to be Served.]** clarifies the upper age limit to be that defined in section 1.

**Section 5 [Expenditures by Building.]** includes alternative teacher compensation revenue in the list of expenditures that must be reported for each building.

**Section 6 [Secondary School Programs.]** clarifies enrollment eligibility for the pupil defined in section 1.

**Section 7 [Part-time Student Fee.]** clarifies to whom the board may charge a fee to conform with the changes made in section 1.

**Section 8 [Eligible Pupils.]** clarifies eligibility for the purposes of participating in the graduation incentives program to conform to the changes made in section 1.

**Section 9 [Eligible Programs.]** clarifies eligibility for the purposes of enrolling in area learning centers to conform to the changes made in section 1.

**Section 10 [Pupil Unit.]** clarifies the upper age limit as defined in section 1 for the purposes of calculating pupil units.

**Section 11 [Definitions.]** clarifies the definition of high school to mean public and non-charter for the purposes of calculating secondary and elementary sparsity revenue.

**Section 12 [Transition Revenue.]** alters the method for calculating the prekindergarten transition revenue.

**Effective Date:** Makes the section effective for fiscal year 2007 and later.

**Section 13 [Transition for prekindergarten revenue.]** creates a definition of prekindergarten revenue.

**Effective Date:** Makes the section effective for fiscal year 2007 and later.

**Section 14 [Uses of transition for prekindergarten revenue.]** requires school districts that receive transition for prekindergarten revenue to reserve that revenue for programs serving prekindergarten students.

**Effective Date:** Makes the section effective for fiscal year 2007 and later.

**Section 15 [Basic alternative teacher compensation aid.]** converts the basic alternative teacher compensation aid from a calculation based on a percentage to one that is based on an allowance for fiscal year 2008 and later.

**Section 16 [Payment to unemployment insurance program trust fund by state and political subdivisions.]** requires that districts make a levy reduction each year and return the funds to the taxpayers in order to reduce their reserved funds for reemployment instead of using the reserved funds for future reemployment expenditures.

**Section 17 [Safe Schools Levy.]** clarifies that the proceeds of the safe schools levy be reserved prior to use and removes unnecessary language relating to the school district's levy limitations.

**Effective Date:** Makes the section effective for fiscal year 2006.

**Section 18 [Payments to School Nonoperating Funds.]** provides the commissioner with additional authorization to make advance payments of state-paid tax credits to assist districts in meeting their cash flow needs.

**Section 19 [Alternative Teacher Compensation Revenue Guarantee.]** allows districts that received alternative teacher compensation revenue for certain sites within the district in fiscal year 2005 two additional years to make the transition to a district-wide alternative teacher compensation plan.

**Section 20 [Alternative Teacher Compensation Revenue for Special School District No. 6, South St. Paul.]** qualifies Special School District No. 6, South St. Paul, for alternative teacher compensation revenue for fiscal year 2007 through fiscal year 2011 and requires the revenue generated to be used for costs associated with implementing the International Baccalaureate Pilot Program.

**Section 21 [Onetime Supplemental Aid.]** paragraph (a) provides districts with onetime supplemental aid in the amount of \$34.50 times the district's adjusted marginal cost pupil units and provides charter school's with \$15 times it's adjusted marginal cost pupil units.

**Paragraph (b)** requires that a district that receives transition for prekindergarten revenue reserve it's onetime supplemental aid for programs serving prekindergarten students.

**Paragraph (c)** allows a school district or charter school that does not receive transition for prekindergarten revenue to use it's onetime supplemental aid to reduce class sizes in grades K-6, provide all-day kindergarten, reduce it's statutory operating debt, pay for heating and fuel costs, pay for technology costs, provide prekindergarten programs, or provide limited English proficiency programs.

**Paragraph (d)** allows a district that receives transition for prekindergarten revenue to adopt a school board resolution to reallocate its funds away from prekindergarten programs and use its onetime supplemental aid according to paragraph (c).

**Paragraph (e)** allows the department to pay supplemental aid based on estimated fiscal year 2007 data and creates a fiscal year 2008 adjustment to accommodate data changes.

**Section 22 [Appropriations.]** See Spreadsheets.

**Section 23 [Repealer.]** repeals Minnesota Statutes, section 120A.20, subdivision 3 (Pupils, at least 21 years of age).

#### **Article 4 Education Excellence**

**Section 1 [Parent Defined; Residency Determined.]** paragraph (e) provides a process to determine a student's residency status if a district reasonably believes the student does not meet the district's residency requirements.

**Section 2 [Required Academic Standards.]** requires school districts to maintain their current physical education and health education requirements through the 2008-2009 school year. School districts must consult benchmarks developed by the department's quality teaching network before subsequent revisions of the local standards. The commissioner must include contributions of Minnesota American Indian tribes related to each of the academic standards during the review and revision of the standards.

**Section 3 [Rigorous course of study; waiver.]** allows a student that satisfactorily completes an advanced placement or international baccalaureate course to satisfy the appropriate academic standards.

**Section 4 [Benchmarks.]**

**Subdivision 1 [Benchmarks implement, supplement statewide academic standards.]** directs the commissioner to conduct a periodic review of the academic standards, instead of on a four-year cycle.

**Subdivision 2 [Revisions and reviews required.] paragraph (a)** directs the commissioner to embed technology and information literacy standards into the state's academic standards. Directs the commissioner to consider alignment of the standards and benchmarks with the knowledge and skills students need for college readiness and advanced work in the particular subject area.

**Paragraph (b)** directs the commissioner to review the math standards in the 2006-2007 school year and for students to complete the revised standards beginning in the 2010-2011 school year. Requires eighth grade students to complete Algebra I. Requires Algebra II for students scheduled to graduate in the 2014-2015 school year.

**Paragraph (c)** directs the commissioner to review the arts standards in the 2007-2008 school year.

**Paragraph (d)** directs the commissioner to review the science standards in the 2008-2009 school year. A student scheduled to graduate in the 2014-2015 school year must satisfactorily complete a chemistry or physics credit.

**Paragraph (e)** directs the commissioner to review the language arts standards in the 2009-2010 school year.

**Paragraph (f)** directs the commissioner to review the social studies standards in the 2010-2011 school year.

**Paragraph (g)** directs school districts and charter schools to review their local standards in health, physical education, world languages and career and technical education in a school year determined by the district or charter school.

**Effective Date:** Makes the section effective immediately.

**Section 5 [Graduation Requirements; Course Credits; Student Transfers.]** requires students graduating in the 2014-2015 school year to complete Algebra II. Requires a high school student to take one credit in either chemistry or physics, beginning in the 2011-2012 school year. Students may take an economics course taught in a district's agriculture education department. Students entering 9th grade in the 2006-2007 school year are required to complete a half-credit in physical education and health education. Directs school districts, area learning centers, and charter school to establish a process to transferring completed credit requirements.

**Effective Date:** Makes the section effective immediately.

**Section 6 [Reimbursement for Examination Fees.]** allows nonpublic high school students to be reimbursed for college-level examination program (CLEP) fees. Eliminates the requirement that a student earn a satisfactory score on one or more CLEP exam before being reimbursed.

**Section 7 [School Safety.]**

**Subdivision 1 [School Safety Advisory Council.]** establishes a 12-member school safety advisory council appointed by the commissioner.

**Subdivision 2 [Duties.]** directs the council to advise the commissioner on matters related to school safety and to make recommendations on creating a Center for School Safety.

**Subdivision 3 [Center for School Safety.]** directs the commissioner to establish the Center. The center shall:

- 1) establish a clearinghouse for information and materials concerning school safety;
- 2) provide safe school assessments;
- 3) provide training and technical assistance for staff, students, and parents;
- 4) provide services to enhance school climate;
- 5) coordinate school efforts with the broader community; and
- 6) evaluate and report on the implementation and effectiveness of the services provided by the center.

**Section 8 [Crisis Management Policy.]** requires the model crisis management policy to include school lock-downs, fire drills, and tornado drills. Schools are required to have at least five lock-down drills, five fire drills, and one tornado drill.

**Effective Date.** Makes the section effective for the 2006-2007 school year and later.

**Section 9 [Comprehensive family life and sex education programs.]**

**Subdivision 1 [Definitions.]** defines “comprehensive family life and sexuality education” as education in grades seven through 12 that includes an abstinence-first approach to delaying initiation of sexual activity and the use of protection and contraception.

**Subdivision 2 [Curriculum requirements.]** allows for a school district to independently establish their policy and curriculum. A district is required to offer age appropriate comprehensive family life and sexuality education to students in grades 7 through 12.

**Subdivision 3 [Notice and parental options.]** requires districts to establish procedures on providing parents or guardians with reasonable notice regarding the comprehensive family life and sex education program and the opportunity to inspect any educational materials. If the parent chooses not to have their child participate, the district must reasonably restrict that child’s access to the material.

**Subdivision 4 [Assistance to school districts.]** indicates that the Department of Education may establish regional training sites to provide training, technical assistance, issue management and policy development, and funding for grants for school-based programs.

**Section 10 [Licenses and Rules.]** requires teacher preparation program participants to receive instruction in historical and cultural competencies related to Minnesota American Indian tribes and their contributions to Minnesota. The Board of Teaching must adopt rules to improve the understanding and effective instruction of and communication with Minnesota American Indian tribes in the 125 clock hours of professional development required for license renewal.

**Section 11 [Teacher and Support Personnel Qualifications.]** requires teacher preparation programs to include technology and information literacy standards in the common core of teaching knowledge. The Board of Teaching must conduct a review of all standards of effective practice for teachers beginning in the 2007-2008 school year.

**Effective Date:** Makes the section effective immediately.

**Section 12 [Requirements for American Sign Language/English Interpreters.]** permits a district to hire an interpreter/transliterator who is deaf or hard of hearing.

**Section 13 [Qualified Deaf and Hard-of-Hearing interpreters/transliterators.]** establishes the qualifications for an interpreter/transliterator who is deaf or hard of hearing.

**Section 14 [Approval Process.]** prohibits the commissioner from imposing conditions outside of those in the statute for approving or disapproving applications for alternative teacher professional pay plans.

**Section 15 [Report; Continued Funding.]** directs the commissioner to judge a participant's approved alternative teacher professional pay plan based on the participant's plan and not other criteria.

**Section 16 [Alternative Teacher Compensation Revenue for Perpich Center for Arts Education and Multidistrict Integration Collaboratives.]** permits the Perpich Center for Arts Education and multidistrict integration collaboratives to receive alternative teacher compensation revenue as if they were intermediate school districts.

**Effective Date:** Makes the section effective for revenue for fiscal year 2007.

**Section 17 [Statement for Comparison and Correction.]** directs the commissioner to convert audited financial data into the consolidated financial statement format and publish the information on the department's Web site.

**Effective Date:** Makes the section effective for financial statements prepared in 2006 and later.

**Section 18 [Student training.]** requires that all students in grade 9 or 10 receive training in the laws and procedures of driving near school buses. Upon the request of the superintendent, the district's

transportation director must certify to the superintendent that all students being transported by bus within the district have received bus safety training.

**Effective Date:** Makes the section effective July 1, 2006.

**Section 19 [Compliance by nonpublic and charter schools.]** requires that a nonpublic or charter school student transported by a public school to comply with student bus conduct and student bus discipline policies of the transporting district.

**Effective Date:** Makes the section effective July 1, 2006.

**Section 20 [Definitions.]** allows a school district to designate a school day care facility as the home of a pupil for part or all of the day for the purposes of providing transportation to and from school.

**Section 21 [District reports.]** allows a school district to report salary and fringe benefit costs for employees who work part time in transportation and part time in another area if the district maintains documentation of the employee's time spent on pupil transportation matters.

**Effective Date:** Makes the section effective for fiscal year 2006.

**Section 22 [Authorization; Notice; Limitation on Enrollment.]** requires an online learning student to give the enrolling district 45 days, instead of 30 days, notice before taking an online learning course.

**Section 23 [Online Learning Parameters.]** allows a student with disabilities to enroll in an online learning course or program without a predetermination by the student's individualized education plan (IEP) team.

**Section 24 [On-Line Learning Aid.]** updates the aid payment percentage for the online learning program.

**Section 25 [Transportation.]** clarifies that a charter school must notify the school district whether or not it will be using the transportation services of the school district in which it is located.

**Section 26 [Payment of Aids to Charter Schools.]** updates the aid payment percentages for charter schools and allows for the return of state aids if a charter school closes.

**Section 27 [General Requirements for Programs.]** establishes minimal components for programs serving Limited English Proficiency (LEP) students.

**Section 28 [Child with a Disability.]** includes blindness in the definition of child with a disability.

**Effective Date:** Makes the section effective immediately.



**Section 29 [Litigation Costs; Annual Report.]** requires a school district to make an annual report to the commissioner on the district's special education litigation costs, including attorney's fees.

**Section 30 [School bus.]** conforms the definition of a type A and type C school bus to the new national standards.

**Effective Date:** Makes the section effective January 1, 2007.

**Section 31 [Driver seat belt.]** clarifies that all school buses and Head Start buses manufactured after 1994 must have driver seat belts.

**Effective Date:** Makes the section effective July 1, 2006.

**Section 32 [National standards adopted.]** updates the reference to the "National School Transportation Specifications and Procedures" 2005 edition.

**Effective Date:** Makes the section effective January 1, 2007.

**Section 33 [Applicability.]** makes the new standards apply to school buses manufactured after December 31, 2006.

**Effective Date:** Makes the section effective January 1, 2007.

**Section 34 [Electrical system; battery.]** increases the minimum amperage of school bus generators and alternators to 130 amperes.

**Effective Date:** Makes the section effective January 1, 2007.

**Section 35 [Seat and crash barriers.]** requires school bus seats to have a minimum mounting height of 15 inches and a seat back height of at least 20 inches above the seating reference point.

**Effective Date:** Makes the section effective January 1, 2007.

**Section 36 [Training.]** allows a school bus driver, after completing the bus driver training competencies, to receive at least eight hours of school bus in-service training as an alternative to being assessed for bus driver competencies.

**Effective Date:** Makes the section effective July 1, 2006.

**Section 37 [Annual evaluation and license verification.]** clarifies that by June 30 of each year the district shall provide in-service training and verify the validity of employee drivers' licenses. Limits the fees charged to members of a nonprofit bus drivers' trade association for accessing certain drivers' license information to not more than the fees charged to school districts for the same information.

**Effective Date:** Makes the section effective July 1, 2006.

**Section 38 [Fire Drill In School; Doors and Exits.]** clarifies that nonpublic schools and educational institutions not subject to crisis management policies to have at least one fire drill each month during the school year.

**Effective Date:** Makes the section effective for the 2006-2007 school year and later.

**Section 39 [Persons Mandated to Report.]** directs an agency that receives a report under the maltreatment of minors law to immediately notify a responsible agency if the initial agency determines that it is not responsible for investigating the report.

**Section 40 [Department of Education Responsible for Assessing or Investigating Reports of Maltreatment.]** establishes the Department of Education as the agency responsible for investigating maltreatment allegations in schools unless the alleged maltreatment occurred in a program or facility licensed by the commissioner of human services.

**Section 41 [Local Welfare Agency, Department of Human Services, or Department of Health.]** establishes the county local welfare agency as the agency responsible for investigating allegations of maltreatment that are not the responsibility of another agency.

**Section 42 [Examination Fees; Teacher Training and Support Programs.]** provides flexibility in administering the Advanced Placement/International Baccalaureate programs so unused teacher training funding may be used for exam fees.

**Effective Date:** Makes the section effective immediately.

**Section 43 [Rule on Visually Impaired to Include References to Blind and Blindness.]** directs the commissioner to include references to "blind" and "blindness" into the definition of visually impaired.

**Section 44 [Pilot Program to Facilitate Young Children's Second Language Learning and Stronger Literacy and Verbal Skills.]** establishes a pilot program for fiscal year 2007 that allows school districts to use child-relevant American sign language to encourage children in kindergarten through grade 3 to learn a second language, develop stronger literacy and verbal skills, and better classroom attention.

**Section 45 [Chinese Language Programs: Curriculum Development Project.]** permits the commissioner to contract with the Board of Regents of the University of Minnesota or another Minnesota public entity to develop an articulated K-12 Chinese curriculum for Minnesota schools.

**Effective Date:** Makes the section effective immediately.

**Section 46 [2006 School Accountability Report.]** allows the department to delay posting the 2006 school performance reports cards and adequate yearly progress data until no later than November 30, 2006.

**Section 47 [Northwestern Online College in the High School Program.]** allows the Northwestern Online College in the High School program to receive \$50,000 for professional development in fiscal year 2007.

**Section 48 [Appropriations.]** See spreadsheets.

**Section 49 [Repealer.] paragraph (a)** repeals sections 121A.23 (Programs to prevent and reduce the risks of sexually transmitted infections and diseases.) and 123B.79 (Structurally balanced school district budgets.)

**Paragraph (b)** repeals sections 169.4502, subdivision 15 (Oil filter or oil filtration system.), 169.4503, subdivisions 17 (Mirrors.), 18 (Overall width.) and 26 (Crossing control arm.)

**Effective Date:** Makes paragraph (b) of this section effective on January 1, 2007.

## **Article 5 Special Education**

**Section 1 [Expenditures by Building.]** requires that all expenditures for special education instruction, services, and transportation be reported separately for nonpublic school pupils and public school pupils.

**Effective Date:** Makes the section effective fiscal year 2006 and later.

**Section 2 [Nonresident Tuition Rate; Other Costs.] paragraph (a)** clarifies and conforms the way in which the nonresident tuition rate is calculated.

**Paragraph (c)** includes a school district that served as the applicant agency for a group of school districts in the list of entities that are allowed to apply to the commissioner for authority to charge the resident district an additional amount to recover unreimbursed costs of serving pupils with a disability.

**Paragraph (d)** excludes alternative teacher compensation revenue in the sum of the general education revenue for the purposes of calculating special education nonresident tuition rate.

**Effective Date:** The section is effective for fiscal year 2006.

**Section 3 [Approval of Education Programs.]** removes outdated and unnecessary citations and clarifies that the statute applies only to Department of Human Services or Department of Corrections licensed care and treatment facilities.

**Section 4 [Responsibilities for Providing Education.]** removes redundant language stating that placement in a licensed facility does not alter a student's eligibility for special education.

**Section 5 [Education Programs for Students Placed in Licensed Facilities.]** clarifies that the statute applies only to Department of Human Services or Department of Corrections licensed care and treatment facilities.

**Section 6 [Exit Report Summarizing Education Progress.]** clarifies that the statute applies only to Department of Human Services or Department of Corrections licensed care and treatment facilities.

**Section 7 [Minimum Education Services Required.]** clarifies that the statute applies only to Department of Human Services or Department of Corrections licensed care and treatment facilities.

**Section 8 [Reimbursement for Education Services.]** clarifies that the statute applies only to Department of Human Services or Department of Corrections licensed care and treatment facilities.

**Section 9 [Students Unable to Attend School But Not Covered Under This Section.]** clarifies that students who are unable to attend school for 15 or more days due to accident or illness are entitled to education services set forth in Minnesota Rule 3525.2325.

**Section 10 [Advisory Committees.]** requires that the advisory committee submit an annual report in a form prescribed by the commissioner. Authorizes the department, rather than the Special Education Advisory Council, to establish an advisory committee for each resource center.

**Section 11 [Travel Aid.]** clarifies that district reimbursement for necessary travel and personnel is defined as a mileage reimbursement rather than the capital cost of vehicles purchased or leased for use of essential personnel providing home-based services.

**Section 12 [Definitions.]** excludes alternative teacher compensation revenue from the definition of general education revenue for the purpose of calculating special education excess cost aid.

**Effective Date:** Makes the section effective for fiscal year 2006.

**Section 13 [Special Education Forecast Maintenance of Effort.] paragraph (a)** redirects forecast excess amounts to the state total special education aid up to an amount sufficient to meet federal special education maintenance of effort.

**Paragraph (b)** clarifies that once the excess is added to the special education aid the state total special education aid must be reduced by that amount.

**Paragraph (c)** clarifies that the forecast excess does not include planning estimates for a future biennium.

**Section 14 [Intermediate District Special Education Tuition Billing for Fiscal Years 2006 and 2007.]** allows intermediate districts additional time to conform to new procedures in special education billing.

**Effective Date:** Makes the section effective for fiscal year 2007 and later.

**Section 15 [Special Education Study.] paragraph (a)** requires the commissioner to contract with an independent consultant to evaluate Minnesota's special education funding structure.

**Paragraph (b)** requires the contracted consultant to conduct an analysis, convene a task force and prepare a report.

**Paragraph (c)** requires the contracted consultant to use statistical analysis to help explain differences in spending across school districts while controlling for student performance.

**Paragraph (d)** requires the commissioner to report on the findings to the education legislative committees.

**Section 16 [Appropriation.]** See spreadsheets.

**Section 17 [Department of Education Rules.]** requires the department to amend rules to conform with the care and treatment facilities language changes.

**Section 18 [Repealer.]** repeals 125A.10 (coordinating interagency services) and 125A.515, subdivision 2 (definition of care and treatment placement).

## **Article 6 Facilities, Accounting, and Technology**

**Section 1 [Citation.]** strikes "Secondary" from "Cooperative Secondary Facilities Grant Act."

**Section 2 [Policy and Purpose.]** expands the cooperative secondary facilities program to all cooperative facilities, not only secondary facilities.

**Section 3 [Approval Authority; Application Forms.]** conforms the application and approval process to include all cooperative facilities, not only secondary facilities.

**Section 4 [Grant Application Process.]** increases the grant amount for new construction from \$5,000,000 to \$10,000,000 and increases the grant amount for improving an existing facility from \$200,000 to \$1,000,000. Allows consolidated districts or groups of districts to apply for the cooperative facilities grant.

**Section 5 [Budgets.]** changes the date on which the board must publish revenue and expenditure budgets from October 1 to November 30 or within one week of the acceptance of the final audit by

the board, whichever is earlier. Allows a district to publish the revenue and expenditure budget on the district's official Web site.

**Section 6 [Use of Health and Safety Revenue.]** allows testing and calibration activities for existing mechanical ventilation systems to be approved uses of health and safety revenue.

**Effective Date:** Makes the section effective for fiscal year 2008.

**Section 7 [School District Consolidated Financial Statement.]** directs the commissioner to develop a consolidated financial statement format that converts Uniform Financial Accounting and Reporting Standards (UFARS) data into a more understandable format.

**Effective Date:** Makes the section effective immediately.

**Section 8 [Errors in Distribution.]** provides the department with additional authority to correct for errors in the distribution of school district aid.

**Section 9 [Wages; How Often Paid.]** includes "other schools" in the list of entities that are allowed to pay wages over a calendar year instead of only on a school year basis.

**Section 10 [Debt Service Equalization.]** increases the amounts appropriated in fiscal year 2006 and fiscal year 2007 from the general fund to the commissioner of education for payment of the debt service aid to conform with the equalized debt service levy factor increase.

**Section 11 [Emergency Aid, Red Lake.]** increases the onetime appropriation in fiscal year 2006 from \$50,000 to \$524,000 to repair infrastructure damage to the Red Lake High School as a result of the March 21, 2005, school shooting.

**Section 12 [Health and Safety Revenue Uses; Belle Plaine.]** allows Independent School District No. 716, Belle Plaine, to use up to \$125,000 of its health and safety revenue raised through an alternative facilities bond for other qualifying health and safety projects.

**Section 13 [Consolidated Financial Statement Implementation.]** requires the department to pay for the implementation of the consolidated financial statement system from the department's existing biennial appropriations for fiscal year 2006 and fiscal year 2007.

**Section 14 [Levy; Red Wing.]** allows Independent School District No. 256, Red Wing, to levy up to \$158,000 for the construction deficit for building the community ice arena for taxes payable in 2007 only.

**Section 15 [Appropriation; Waseca Levy.]** allows Independent School District No. 829, Waseca, to levy up to \$343,550 beginning in 2006 over five years for health and safety revenue lost due to miscalculation.

**Section 16 [Appropriation; Rocori School District.]** appropriates \$137,000 in fiscal year 2007 from the general fund to the commissioner of education for a grant to Independent School District No. 750, Rocori, to continue the district's recovery efforts as a result of the school shooting in the district.

**Section 17 [Fund Transfers.]** authorizes fund transfers for local school districts.

**Subdivision 1 [A.C.G.C.]** authorizes Independent School District No. 2396, A.C.G.C., to transfer up to \$219,000 from its disabled accessibility account to its unrestricted general fund without making a levy reduction.

**Subdivision 2 [Alden-Conger.]** authorizes Independent School District No. 242, Alden-Conger, to transfer up to \$164,000 from its disabled accessibility account to its unrestricted general fund without making a levy reduction.

**Subdivision 3 [Eden Valley-Watkins.]** authorizes Independent School District No. 463, Eden Valley-Watkins, to transfer up to \$50,000 from its debt redemption fund to the capital account in its general fund without making a levy reduction.

**Subdivision 4 [Fosston.]** authorizes Independent School District No. 601, Fosston, to transfer up to \$80,000 from its disabled accessibility account to its unrestricted general fund without making a levy reduction.

**Subdivision 5 [Hopkins.]** authorizes Independent School District No. 270, Hopkins, to transfer up to \$300,000 from its community education reserve fund to its undesignated general fund balance to assist the district in decreasing its statutory operating debt.

**Subdivision 6 [Lester Prairie.]** authorizes Independent School District No. 424, Lester Prairie, to transfer up to \$150,000 from its reserved for operating capital account and up to \$107,000 from its reserved for severance account, to its undesignated balance in the general fund.

**Subdivision 7 [Milroy.]** authorizes Independent School District No. 635, Milroy, to transfer up to \$26,000 from its disabled accessibility account to its unrestricted general fund without making a levy reduction.

**Subdivision 8 [New London-Spicer.]** authorizes Independent School District No. 345, New London-Spicer, to transfer up to \$150,000 each year for five years from its debt redemption fund to its general fund without making a levy reduction.

**Subdivision 9 [Northland Community Schools.]** authorizes Independent School District No. 118, Northland Community Schools, to transfer up to \$197,000 from its disabled accessibility account to its reserved for operating capital account in the general fund without making a levy reduction.

**Subdivision 10 [Rocori.]** authorizes Independent School District No. 750, Rocori, to transfer up to \$250,000 from its debt redemption fund to its operating capital account in its general fund without making a levy reduction.

**Subdivision 11 [Roseville.]** authorizes Independent School District No. 623, Roseville, to transfer up to \$90,000 from its debt redemption fund to its general fund without making a levy reduction.

**Subdivision 12 [Tyler.]** authorizes Independent School District No. 409, Tyler, to transfer up to \$451,000 from its reserved for capital operating account to its debt redemption fund.

**Subdivision 13 [Willmar.]** authorizes Independent School District No. 347, Willmar, to transfer up to \$335,000 from its debt redemption fund to its unrestricted general fund without making a levy reduction.

## **Article 7 Nutrition and Libraries**

**Section 1 [School Lunch Aid Computation.]** increases the state reimbursement from ten to 10.5 cents for each school lunch served to students.

**Section 2 [School Lunch.]** increases the appropriation to conform to the increase in the school lunch reimbursement and makes changes consistent with the February forecast.

**Section 3 [Basic System Support.]** increases the appropriation for basic system support grants by \$450,000 for fiscal year 2007 and makes changes consistent with the February forecast.

## **Article 8 State Agencies**

**Section 1 [Educational Program; Tuition.]** clarifies ambiguity in the law regarding the payment of compensatory revenue to the Minnesota State Academies.

**Section 2 [Unreimbursed Costs.]** clarifies ambiguity in the law regarding the payment of compensatory revenue to the Minnesota State Academies.

**Section 3 [Tuition Reduction.]** clarifies ambiguity in the law regarding the payment of compensatory revenue to the Minnesota State Academies.

**Section 4 [Student count; Tuition.]** clarifies ambiguity in the law regarding the payment of compensatory revenue to the Minnesota State Academies.

**Section 5 [Annual Appropriation.]** clarifies ambiguity in the law regarding the payment of compensatory revenue to the Minnesota State Academies.



**Section 6 [Out-of-State Admissions.]** conforms the law to reflect how the State Academies categorize the tuition received from other states as special revenue.

**Effective Date:** Makes the section effective retroactively from fiscal year 2001.

**Section 7 [Department.]** See spreadsheet.

**Article 9  
Prekindergarten Through Grade 12 Education Forecast Adjustments**

Makes changes to the fiscal years 2006 and 2007 appropriations consistent with the February forecast.

**Article 10  
Technical and Conforming Amendments**

**Section 1 [Adopting Policies.]** makes a technical correction.

**Section 2 [Requirements for Immunization Statements.]** deletes obsolete language.

**Section 3 [Agreement.]** makes a technical correction.

**Section 4 [Governance.]** makes a technical correction.

**Section 5 [Equity Revenue.]** makes a technical correction.

**Section 6 [Definitions.]** makes a technical correction.

**Article 11  
Higher Education**

**Section 1** summarizes appropriations by fund and agency.

**Section 2** reduces the appropriation to the Office of Higher Education for FY 2007 by \$300,000. The reduction results from changes in definitions in various financial aid programs.

**Section 3** appropriates \$5,000,000 to the Board of Regents of the University of Minnesota for academic programs at Rochester.

**Sections 4 and 5** reinstate funding formula language.

**Section 6** provides for the submission of instructional expenditure and enrollment data to the Office of Higher Education. The Office must consult with the data advisory task force to identify the data that must be submitted to them.

**Section 7** specifies that a student qualifies for the resident tuition rate or its equivalent at state colleges and universities, including the University of Minnesota, if the student meets all of the following requirements: (1) high school attendance within the state for three or more years; (2) graduation from a state high school or attainment within the state of the equivalent of high school graduation; and (3) registration as an entering student at, or current enrollment in, a public institution of higher education. An individual who is not a citizen or permanent resident of the United States must provide the college or university with an affidavit that the individual will file an application to become a permanent resident at the earliest opportunity to do so.

**Section 8** deletes language pertaining to the reports the systems must submit to the legislature regarding their performance on various accountability measures.

**Sections 9, 10, and 26** delete obsolete language and incorrect terminology.

**Section 11** amends language specifying the criteria a college or university must meet to be eligible to participate in the state grant and child care grant programs. Criteria added specify that participating institutions must be licensed or registered with the Office of Higher Education, and become a participant in federal student aid programs under Title IV by July 1, 2009, or lose eligibility to participate in the state grant program.

**Section 12** amends language defining "resident student" for the purpose of receiving the state grant and child care grant by including the following individuals: (1) active military personnel stationed in Minnesota, their spouse, and dependents; (2) individuals who have relocated to Minnesota from a federally-declared disaster area; and (3) an individual meeting the definition of "refugee" under U.S. code. Also clarifies definition of "resident student" for Minnesota high school graduates.

**Section 13** extends the statutory provision authorizing the Office of Higher Education to increase the state grant program living and miscellaneous expense allowance if there is a surplus in the second year of the biennium, to June 30, 2009.

**Section 14** amends language specifying the criteria a college or university must meet to be eligible to participate in the SELF loan program. Criteria added specify that participating institutions must be licensed or registered with the Office of Higher Education, and become a participant in federal student aid programs under Title IV by July 1, 2009, or lose eligibility to participate in the SELF loan program.

**Section 15** amends language defining "Minnesota resident" for the purpose of participation in the SELF loan program.

**Section 16** adds language defining "eligible cosigner" for the purpose of receiving a SELF loan.

**Section 17** authorizes the Office of Higher Education to do interest rate swaps.

**Section 18** deletes language stating that the names and addresses of state financial aid participants are classified as public data.

**Section 19** increases the loan limits for SELF loan participants.

**Section 20** increases the repayment period for SELF loan borrowers with loans in excess of \$18,750.

**Section 21** eliminates students attending a postsecondary institution in a Canadian province from the definition of eligible student for the purpose of receiving a SELF loan.

**Section 22** makes SELF loan cosigners jointly and separately responsible for making loan payments. This language is currently in the rules pertaining to the SELF loan.

**Section 23** authorizes the Office of Higher Education to establish a loan rehabilitation program.

**Section 24** authorizes the Office of Higher Education to grant students in repayment "temporary total disability status" for up to three years. Interest would not accrue during this period of time.

**Section 25** authorizes the provision of state work study awards during one period of non-enrollment each year for students enrolled less than half-time.

**Section 27** specifies that at least one member of the MnSCU board must be a representative of labor, and at least one member must be a representative of business.

**Section 28** specifies that receipts attributable to MnSCU college and university activity funds are appropriated to the board and are not subject to the budgetary control of the commissioner of finance.

**Section 29** codifies the manner in which MnSCU deposits its receipts.

**Section 30** amends language pertaining to the Rochester campus of the University of Minnesota to reflect the recommendations of the Rochester Higher Education Development Committee for that institution.

**Section 31** amends language pertaining to the unique role of each of the higher education institutions in Rochester.

**Section 32** makes temporary provisions for the approval of higher education degrees.

**Section 33** directs the Office of Higher Education to convene an advisory task force to study the cost of textbooks.

**Section 34** authorizes the construction of an academic building on the Minnesota State University Mankato campus for the College of Business using nonstate money.

**Section 35** directs the Board of Regents of the University of Minnesota to convene a task force to study the impact of its licensing agreements on Minnesota producers of agricultural products and report to the Legislature on its findings and recommendations.

**Section 36** contains instructions to the revisor.

**Section 37** repeals Minnesota Rules, part 4830.0100, subpart 5, item F.

**Section 38** repeals the following statutory language and rules:

Minnesota Statutes 2004, section 135A.031, subdivision 5: Adjustment for performance

Minnesota Statutes 2004, section 135A.033: Performance funding

Minnesota Statutes 2004, section 136A.15, subdivision 5: Province

Minnesota Statutes 2004, section 136A.1702: Commission approval

Minnesota Statutes 2004, section 137.17, subdivision 2: Leadership

Minnesota Statutes 2004, section 137.17, subdivision 4: Changes

Minnesota Statutes 2005 Supplement, section 135A.031, subdivision 3:

Determination of instructional services base

Minnesota Statutes 2005 Supplement, section 135A.031, subdivision 4:

Enrollments for budgeting

Minnesota Rules, part 4850.0011, subpart 9: Creditworthy cosigner

Minnesota Rules, part 4850.0011, subpart 10: Cosigners

Minnesota Rules, part 4850.0011, subpart 14: Eligible School

Minnesota Rules, part 4850.0011, subpart 27: Repayment period

Minnesota Rules, part 4850.0014, subpart 1: Loan amounts

## **Article 12**

### **Environment, Natural Resources, and Agriculture**

**Section 1 [Environment, Natural Resources, and Agriculture Appropriations]** explains the appropriations in this article and contains a summary by fund of the appropriations in the article. The article contains supplemental appropriations for environment, natural resources, and agriculture appropriations of almost \$3.8 million. Of this amount, almost \$2.9 million is from the general fund, \$465,000 is from the natural resources fund, and \$400,000 is from the game and fish fund.

**Section 2 [Department of Agriculture]** appropriates just over \$1.2 million from the general fund to the Department of Agriculture for invasive species staffing (\$248,000), livestock and crop compensation (\$93,000), containment facility operations (\$190,000), Second Harvest milk grant (\$200,000), and for E85 pump grants (\$500,000). The appropriation for the second harvest milk grant is from S.F. No. 3368 (Kubly), and the appropriation for the E85 pump grants is from S.F. No. 3700 (Sams). The remaining provisions are from the Governor's supplemental budget.

**Section 3 [Board of Animal Health]** appropriates \$685,000 from the general fund to the Board of Animal Health for elimination of bovine tuberculosis. This appropriation was contained in S.F. No. 2922 (Skoe) and was in the Governor's supplemental budget.

**Section 4 [Department of Natural Resources]** appropriates just over \$1.8 million to the Department of Natural Resources for bovine tuberculosis prevention (\$220,000), invasive species control (\$550,000), the Minnesota Shooting Sports Education Center (\$100,000), canoe route development (\$65,000 from the natural resources fund), emergency deterrent materials assistance (\$400,000 from the game and fish fund), and federal recreation area operation (\$100,000 from the general fund and \$400,000 from the natural resources fund). The general fund appropriation for the Minnesota Shooting Sports Education Center is from S.F. No. 3324 (Saxhaug). The game and fish fund appropriation for emergency deterrent materials assistance is from the fiscal note on S.F. No. 2926 (Skoe). The natural resources fund appropriation for canoe route development is from S.F. No. 3336 (Sams).

**Section 5 [Authority of the Board of Animal Health]** clarifies the authority of the Board of Animal Health to require tests of bovine or cervidae to achieve or maintain bovine tuberculosis accredited status. This is a recommendation from the administration.

**Section 6 [Horse Trails Pass Enforcement]** allows DNR employees who are designated to enforce certain natural resources laws to enforce the new horse trail pass requirement. This is from S.F. No. 2999 (Sams) and is effective January 1, 2007.

**Section 7 [Technical]** is a technical change related to the changes made in section 11. This is from S.F. No. 2872 (Frederickson) and is effective January 1, 2007.

**Section 8 [Towed Vehicles; Temporary Permit]** directs the Commissioner of Natural Resources to issue a temporary state park permit for vehicles that are towed by a vehicle used for camping in the state park. This is from S.F. No. 2872 (Frederickson) and is effective January 1, 2007.

**Section 9 [Soudan Underground Mine State Park]** exempts the visitor center parking lot at Soudan Underground Mine State Park from the state park permit requirement. This is from S.F. No. 2872 (Frederickson) and is effective January 1, 2007.

**Section 10 [State Park Permit Fees]** reduces the daily state park permit fees for individuals and groups and adds an annual permit fee category for motorcycles. **This is from S.F. No. 2872 (Frederickson) and is effective January 1, 2007.**

**Section 11 [Canoe and Boating Routes; Sauk River]** adds the Sauk River to the list of rivers authorized as canoe and boating routes. This is from S.F. No. 3336 (Sams).

**Section 12 [Horse Trail Pass]** is from S.F. No. 2999 (Sams) and is effective January 1, 2007.

**Subdivision 1 [Pass in Possession]** requires a horse trail pass in possession for a person age 16 and over who is riding or leading a horse on state horse trails or in day use areas.

**Subdivision 2 [License Agents]** provides for the Commissioner of Natural Resources to appoint license agents to sell horse trail passes.

**Subdivision 3 [Issuance]** provides for the issuance of horse trail passes.

**Subdivision 4 [Pass Fees]** establishes \$20 annual and \$4 daily horse pass fees.

**Subdivision 5 [Issuing Fee]** establishes a \$1 issuing fee for horse trail passes.

**Subdivision 6 [Disposition of Receipts]** provides that horse trail pass fees will be deposited in the horse trail account in the natural resources fund. Money in the account is appropriated to the Commissioner of Natural Resources for horse trail, acquisition, development, maintenance, enforcement, and rehabilitation.

**Subdivision 7 [Duplicate Passes]** provide for the issuance of a duplicate horse trail pass for lost or destroyed passes. The fee for the duplicate pass is \$2 and the issuing fee is 50 cents.

**Section 13 [Emergency Deterrent Materials Assistance]** expands the emergency deterrent materials assistance program to include assistance to landowners to prevent the spread of disease in wild animals. This section also provides that landowners are eligible for up to \$3,000 for measures to prevent wildlife disease in quarantine areas established by the Board of Animal Health. This is from S.F. No. 2926 (Skoe).

**Section 14 [Wildlife Feeding Restrictions; Bovine Tuberculosis Areas]** directs the Commissioner of Natural Resources to restrict wildlife feeding within a 15-mile radius of a cattle herd that is infected with bovine tuberculosis. This is from S.F. No. 2926 (Skoe).

**Section 15 [Dry Cleaner Account Reimbursement]** prohibits reimbursement from the dry cleaner account for facilities that had any response action prior to July 1, 1995.

**Section 16 [International Wolf Center]** redirects a \$250,000 appropriation for building renovations at the International Wolf Center. This is a modified version of S.F. No. 2449 (Bakk).

**Section 17 [Community Wind Energy Rebate]** expands the Community Wind Energy Rebate Program to include other types of financial assistance and makes the appropriation from the environment and natural resources trust fund available until June 30, 2009. This is from a recommendation of the Legislative Commission on Minnesota Resources and was contained in S.F. No. 3305 (Anderson).

**Section 18 [Carryforward]** extends a 2003 appropriation from the environment and natural resources trust fund for local initiative grants to June 30, 2007. This is from a recommendation of the Legislative Commission on Minnesota Resources and was contained in S.F. No. 3305 (Anderson).

**Section 19 [Repealer]** repeals a requirement that the Commissioner of Agriculture submit a biennial report on official acts and official receipts and disbursements. This was in the Governor's supplemental budget.

**Section 20 [Effective Date]** makes the article effective the day following final enactment unless otherwise specified.

### **Article 13 Clean Water Legacy**

**Section 1 [Clean Water Legacy Appropriations]** explains that the appropriations in this article are onetime appropriations for fiscal year 2007, and are available until June 30, 2009, if they are encumbered under contract by June 30, 2007. This section also provides that the maximum general fund appropriations for Clean Water Legacy in 2006 are \$20 million. This is to clarify how these appropriations are to be considered along with the appropriations in S.F. No. 762 which passed the Senate in 2005. S.F. No. 762 appropriated \$34.5 million for similar purposes and is currently within the jurisdiction of the House of Representatives. All of the money appropriated in this article is from the general fund and contained in the Governor's supplemental budget.

**Section 2 [Pollution Control Agency]** appropriates just over \$5 million to the Pollution Control Agency for assessment of surface water quality and trends (\$1.86 million), and total maximum daily load (TMDL) development and implementation plans (\$3.17 million).

**Section 3 [Public Facilities Authority]** appropriates just over \$4.3 million to the Public Facilities Authority for phosphorus reduction grants (\$2 million), small community wastewater treatment loans and grants (\$1 million), and wastewater and storm water grants (\$1.31 million).

**Section 4 [Agriculture Department]** appropriates \$2.6 million to the Department of Agriculture for agricultural best management practices loans (\$1.4 million), technical assistance (\$800,000), and research and evaluation (\$400,000).

**Section 5 [Board of Water and Soil Resources]** appropriates just over \$5.9 million to the Board of Water and Soil Resources for targeted nonpoint restoration cost-share (\$1.5 million), nonpoint technical and engineering assistance (\$2 million), evaluation of applied soil and water practices (\$200,000), county grants for ISTS programs (\$730,000), and local nonpoint source protection activities (\$1.5 million).

**Section 6 [Department of Natural Resources]** appropriates just over \$2.1 million to the Department of Natural Resources for water quality assessment (\$280,000), riparian land acquisition (\$1 million), and forest stewardship planning (\$850,000).

**Section 7 [Nutrient Loading Offset]** provides for nutrient loading offset prior to completion of a total maximum daily load for an impaired water.

#### **Article 14 Economic Development**

**Section 1. [ Economic Development Appropriations.]** states that the appropriations in this article are added to or subtracted from the appropriations enacted by the 2005 legislature. Makes supplementary appropriations and reductions to appropriations for the fiscal year ending June 30, 2006, effective the day following final enactment. Summarizes the economic development appropriations and reductions by fund.

**Section 2. [ Employment and Economic Development.]** appropriates \$1,920,000 in fiscal year 2006 and \$4,970,000 in fiscal year 2007 to the Department of Employment and Economic Development (DEED) for the purposes explained below.

**(a) Business and community development** appropriates \$500,000 from the general fund to the BioBusiness Alliance of Minnesota for bioscience business development programs.

**(b) Biotech partnership** appropriations \$2,000,000 for the collaborative biotechnology and medical genomics research partnership between the University of Minnesota and the Mayo Foundation.

**(c) Programs for persons with developmental and mental disabilities** appropriates \$150,000 for a grant to Advocating Change Together.

**(d) Wastewater treatment** appropriates \$100,000 for a grant to the city of Cedar Mills for costs it incurred in construction of a wastewater treatment system for 28 properties.

**(e) Pilot workforce program** appropriates \$250,000 from the workforce development fund for grants to the West Central Initiative in Fergus Falls. These grants must be used to implement and operate Northern Connections, a pilot workforce program that provides one-stop supportive services to assist individuals as they transition into the workforce. This appropriation is available to the extent matched by \$1 of nonstate money for each \$1 of state money.

**(f) Summer youth employment** appropriates \$1,920,000 each fiscal year from the workforce development fund for grants to fund summer youth employment in Minneapolis. Of this appropriation, \$250,000 the first year and \$250,000 the second year are for a grant to the learn-to-earn summer youth employment program.

**(g) Veterans memorial** appropriates \$50,000 for a grant to the city of Worthington for the construction of a veterans' memorial in Freedom Veterans Memorial Park.



**Section 3. [Department of Commerce.]**

**Petroleum tank release cleanup** appropriates \$450,000 each fiscal year from the petroleum tank release cleanup fund for costs reimbursable under Minnesota Statutes, section 115C.09, that were incurred before January 1, 2004.

**Section 4. [Housing Finance Agency.]**

**Mortgage foreclosure prevention** appropriates \$300,000 from the real estate education, research, and recovery fund under section 82.43, for mortgage foreclosure prevention under the homeownership education, counseling, and training program under section 462A.209.

**Section 5. [Department of Human Services.]** appropriates \$240,000 from the telecommunication access Minnesota fund under section 237.52 to supplement the ongoing operational expenses of the Minnesota commission serving deaf and hard-of-hearing people.

**Section 6. [Boxing Commission.]** appropriates \$50,000 to operate and administer the commission. This appropriation is the annual base for future years.

**Section 7. [Explore Minnesota Tourism.]** appropriates \$1,750,000 for a grant to the Minnesota Film and TV Board for reimbursement of up to 15 percent of film production costs incurred in Minnesota under section 116J.543.

**Section 8. [Workforce Services.]** adds \$150,000 each fiscal year from the workforce development fund to DEED's base for the Minnesota Employment Center for People who are Deaf or Hard-of-Hearing.

**Section 9. [Sustainable Building Guidelines.]** requires the commissioners of administration and commerce to report to the legislature by March 15, 2007, on guidelines for a requirement that no net increases in greenhouse gases are allowed as a result of new building funds.

**Section 10. [Additional Unclassified Positions.]** adds Explore Minnesota Tourism to the list of agencies that may designate additional unclassified positions in the state civil service.

**Section 11. [Franchise.]** modifies the definition of "franchise" in the context of a franchisee who is authorized to market motor vehicle fuel at retail under the franchisor's trade name. The term "franchise" does not include the marketing of motor vehicle fuel in circumstances where all the following are present:

- (1) the franchisor is not a refiner of motor vehicle fuel;
- (2) the franchisor's trade name or trademark is not used to identify the marketing premises generally;
- (3) the franchisor does not impose any requirements on nonmotor fuel products or sales; and

(4) the facility is not leased from the franchisor.

**Section 12. [Exempt Motor Fuel Franchises; Alternative Compliance.]** A motor fuel franchise exempt from regulation under section 10 of this article is subject to regulation under chapter 80F.

**Section 13. [Retail Locations and Transport Vehicles.]** modifies the definition of "transport vehicle," for purposes of petroleum tank release cleanup, to refer to a liquid fuel cargo tank used to deliver gasoline into underground storage tanks during 2002 or 2003 (rather than 2002 and 2003) at a retail location. Extends the deadline for reimbursement from the petroleum tank release cleanup board for the cost of retrofits for retail locations and transport vehicles from January 1, 2006, to September 1, 2006. Makes this section effective retroactively from August 1, 2003.

**Section 14. [Report on the Status of Rural Minnesota.]** requires the Rural Policy and Development Center at Mankato State University to report to the legislature on the status of rural Minnesota by March 1 of each odd-numbered year.

**Section 15. [Film Production Jobs Program.]** clarifies the definition of "production costs" and "film" for purposes of providing reimbursements to film producers for certain production costs incurred in Minnesota.

**Section 16. [Grant Account.]** makes grant money appropriated for the contaminated site cleanup and development program available until spent. (Under current law, money appropriated to the contaminated site cleanup and development account is available for four years.)

**Section 17. [Small Business Access to Federal Research Funds.]** requires the commissioner of DEED to assist small businesses to access federal funds through the Small Business Innovation Research Program and the Small Business Technology Transfer Program. Unless prohibited by federal law, requires the department to implement fees for services that help companies seek small business innovation research grants. Appropriates fee receipts to the department. (The requirement to assist small businesses and to implement fees was enacted, likely on a temporary basis, in 2005 as an appropriation rider for this program.)

**Section 18. [Partnership Program.]** modifies current law providing that up to 25 percent of a job skills partnership board grant to an educational institution may be used for pre-employment training to instead allow "a portion" of such a grant to be used for this purpose.

**Section 19. [Pathways Program.]** Similar to previous section, but for grants for developing programs that assist in the transition of persons from welfare to work and assist individuals at or below 200 percent of the federal poverty guidelines.

**Section 20. [Grants; Training and Retention.]** Similar to previous section, but for grants to operate training and retention programs in critical workforce shortages.

**Section 21. [Apprentice Wages.]** requires the journeyman wage rate for apprenticeship agreements where no bargaining agreement exists to be the most current state or federal prevailing wage determination or apprenticeship agreement for a trade.

**Section 22. [Inland Waters.]** clarifies the definition of "inland waters" for purposes of boiler inspections.

**Sections 23 and 24. [Assessments.]** allows the commissioner of commerce to assess utilities up to an additional \$500,000 through June 30, 2008.

**Sections 25 and 26. [Eligibility Window.]** extend the eligibility window and payment periods for hydroelectric facilities and wind energy conversion facilities that qualify for renewable energy production incentive payments.

**Sections 27 to 34. [Iron Range Resources and Rehabilitation.]** makes modifications and clarifications to budget and administrative procedures by the Iron Range Resources and Rehabilitation Board. Makes numerous technical corrections.

**Section 35. [Definitions.]** defines terms used in connection with carbon monoxide alarms in section 25.

**Section 36. [Requirements for Carbon Monoxide Alarms.]** requires every single-family dwelling and every unit in a multifamily dwelling to have an approved carbon monoxide alarm installed on each level and within ten feet of each bedroom.

**Section 37. [Enforcement.]** describes penalties for violations of section 25.

**Section 38. [Fees.]** drops the \$25 fee for monitoring licensing exams for architects, professional engineers, etc.

**Section 39. [State Fair Camping Area.]** requires the State Agricultural Society to operate a camping area on the State Fairgrounds during the Minnesota Street Rod Association's Back to the 50's event.

**Section 40. [Definitions.]** defines terms for purposes of the Minnesota Boxing Commission, including "boxing" and "tough person contest."

**Section 41. [Boxing Commission.]** creates a five-member Boxing Commission. Provides that one member must be a retired judge, one member must be a public member, and three members must be involved in the boxing industry. If possible, at least two members must be women.

**Section 42. [Limitations.]** forbids members of the Boxing Commission from directly or indirectly promoting boxing contest, managing a boxer, or being interested in any manner in the proceeds from a boxing match.

**Section 43. [Executive Director.]** authorizes the governor to appoint, and at pleasure remove, an executive director of the Boxing Commission. Authorizes the commission to employ other personnel.

**Section 44. [Rules.]** authorizes the Boxing Commission to adopt rules that include standards for the physical examination and conditions of boxers and referees.

**Section 45. [Meetings.]** requires the Boxing Commission to hold a regular meeting quarterly. Authorizes special meetings. Provides that the commission is subject to the Open Meeting Law.

**Section 46. [Commission Duties.]** specifies duties of the Boxing Commission, including issuance, denial, renewal, suspension and revocation of licenses.

**Section 47. [Regulation of Boxing Contests.]**

**Subdivision 1. Regulatory authority; boxing.** provides that all boxing contests are subject to chapter 341. Requires contestants to wear padded gloves weighing at least eight ounces. Requires a member of the Boxing Commission to attend and make a written report on each contest.

**Subdivision 2. Regulatory authority; tough person contests.** provides that tough-person contests are subject to chapter 341, and that contestants must wear padded gloves that weigh at least 12 ounces.

**Section 48. [Jurisdiction of Commission.]** provides that the Boxing Commission has sole jurisdiction over boxing contests and tough person contests, unless federal law applies. States conditions under which the commission shall grant licenses.

**Section 49. [Licenses; Boxing.]**

**Subdivision 1. Licensure; individuals.** requires specified occupations relating to the boxing industry to be licensed by the Boxing Commission.

**Subdivision 2. Entity licensure.** requires business entities conducting contests to be licensed.

**Subdivision 3. Background investigation.** provides for background information on regulated persons.

**Subdivision 4. Prelicensure requirements.** specifies requirements that must be met before the commission issues a license to a promoter, matchmaker, corporation or other business entity, or to a boxer.

**Section 50. [Simulcast Licenses.]** provides for the Boxing Commission to issue a license to a person simulcasting boxing.

**Section 51. [License Fees, Expiration, Renewal.]** provides for issuance of annual licenses by the Boxing Commission, and for expiration of licenses.

**Section 52. [Physical exams.]** requires boxing contestants and referees to be examined by a physician within three hours before entering the ring, and specifies the required contents of the physician's written report. Requires a physician to be in attendance at each contest.

**Section 53. [Insurance.]** provides that the Boxing Commission must require contestants to be covered by medical and life insurance. Specifies that the cost of required insurance is payable by the promoter.

**Section 54. [Penalties.]** specifies penalties for nonlicensed boxing exhibitions.

**Section 55. [Appropriation.]** establishes a Boxing Commission account in the special revenue fund. Money in the account is annually appropriated to the Boxing Commission.

**Section 56. [Executive Director.]** provides that the Director of the Public Facilities Authority (PFA) serves in the unclassified state civil service.

**Section 57. [Bonding Authority.]** increases the bonding authority of the PFA from \$1.25 billion to \$1.5 billion to meet future needs.

**Section 58. [Distribution of Funds.]** requires the Metropolitan Council to give equal weight to (1) preservation or growth of living-wage jobs, and (2) the production of affordable housing for purposes of ranking grant applications for the cleanup of polluted land in the metropolitan area.

## **Article 15 Transportation**

**Section 1** appropriates \$4,320,000 from the general fund in fiscal year 2007 for transportation purposes. Details follow in Sections 2-4.

**Section 2** makes a one-time appropriation of \$1,880,000 from the general fund to the Department of Transportation, as follows:

- (a) \$1,500,000 for the Town Road Sign Replacement Program, which includes the purchase and installation of new signs, and can be used to match federal funds; and
- (b) \$380,000 for design and construction of a new MnDOT radio tower in Roseau County.

**Section 3** makes a one-time appropriation of \$2,040,000 from the general fund to the Metropolitan Council, as follows:

- (a) \$1,540,000 added to existing appropriations for bus system operations; and
- (b) \$500,000 for a feasibility study of light rail transit along the I-394 corridor between Minneapolis and Minnetonka.

**Section 4** makes a one-time appropriation of \$400,000 from the general fund to the Department of Public Safety, to purchase automated external defibrillators for State Patrol vehicles.

**Section 5** states that this article is effective immediately.

## **Article 16**

### **Public Safety**

**Section 1** is the appropriation summary by fund.

**Section 2** appropriates \$600,000 from the general fund to the Supreme Court for the purposes of court initiative to more effectively address the increasing numbers of alcohol and other drug (AOD) offenders. Of this amount, \$300,000 is for a study to recommend more uniform and cost-effective structures for the problem-solving court model; \$100,000 is to augment treatment services for problem-solving courts; and \$200,000 is for development of a multicounty pilot problem-solving court.

**Section 3** appropriates \$172,000 from the general fund to the Board on Judicial Standards for the costs of special hearings and an investigation regarding complaints of judicial misconduct.

**Section 4** appropriates \$60,000 from the general fund to the Board of Public Defense for appellate transcripts.

**Section 5, Subdivision 1**, appropriates \$177,000 the first year and \$2,160,000 the second year from the general fund to the Commissioner of Public Safety, allocated in subdivisions 2 to 4.

**Subdivision 2** appropriates \$60,000 for an extraordinarily hazardous substance planner. These funds are appropriated to the Homeland Security and Emergency Management Division of the Department of Public Safety.

**Subdivision 3** appropriates \$125,000 for the enhancement of the predatory offender data base, and \$100,000 to address the missing persons and unidentified bodies backlog. These funds are appropriated to the Bureau of Criminal Apprehension (BCA) of the Department of Public Safety.

**Subdivision 4** makes the following appropriations to the Office of Justice Programs in the Department of Public Safety:

- ▶ \$800,000 for expanded activities of the Gang Strike Force and Narcotic Task Forces;
- ▶ \$98,000 for a grant to Ramsey County for the implementation of the safe harbor for sexually exploited youth project;
- ▶ \$75,000 for a human trafficking task force and plan;
- ▶ \$60,000 for legal advocacy for human trafficking victims;
- ▶ \$35,000 for a toll-free hotline for human trafficking victims;
- ▶ \$200,000 for the Youth Intervention Program;
- ▶ \$150,000 for the Crime Victim Intervention Program;
- ▶ \$180,000 for a grant to the city of Minneapolis for the expansion of its security collaborative;
- ▶ \$100,000 for a grant to the city of Minneapolis for additional peace officers; and
- ▶ \$177,000 each year for the Financial Crimes Task Force.

**Section 6, Subdivision 1**, appropriates a total of \$3,213,000 the first year and \$3,830,000 the second year from the general fund to the Commissioner of Corrections, allocated in subdivisions 2 and 3.

**Subdivision 2** appropriates \$2,668,000 the first year and \$3,109,000 the second year to the Institutions Division of **the Department of Corrections for general operations and salary supplement**.

**Subdivision 3** makes the following appropriations to the Community Services Division of the Department of Corrections:

- ▶ \$545,000 the first year for general operations and salary supplement;
- ▶ \$250,000 the second year for mentoring the children of incarcerated parents;
- ▶ \$196,000 the second year for an increase to the Community Corrections Act subsidy for the addition of Scott County;
- ▶ \$200,000 for discharge planners for inmates with mental illness; and
- ▶ \$75,000 for an immigration specialist in the Department of Corrections.

**Section 7** requires the Peace Officer Standards and Training (POST) Board to conduct a training audit of its practitioners to determine what training is currently being offered, what new training is necessary, and how it should be implemented.

**Section 8** appropriates \$200,000 from the special revenue fund to the POST Board for reimbursements to local governments for peace officer training costs.

**Section 9** amends Laws 2005, chapter 136, article 1, section 13, subdivision 3, by authorizing that counties, their designees or courts may be reimbursed for sex offender assessments as required under Minnesota Statutes, section 609.3457.

**Sections 10 to 24** amend Minnesota Statutes, chapter 115E, relating to Oil and Hazardous Substance Discharge Preparedness.

**Section 10** is a cross-reference in the Government Data Practices Act that classifies facility security assessments and plans under section 115E.04, subdivision 4b (see section 21).

**Section 11** expands the definition of “facility” for the purposes of the chapter to include research and development laboratories.

**Sections 12 to 16** define or redefine the following terms for the purposes of the chapter: hazardous substance, lead agency, security measure, use of inherently safer technology, and worst case discharge.

**Section 17** requires persons who own or operate facilities handling hazardous substances or oil to take reasonable security measures to prevent the unauthorized access of persons to the facilities. Requires persons who own or operate facilities subject to Code of Federal Regulations, title 40, part 68, under section 112r of the Clean Air Act and persons who own or operate facilities containing 1,000,000 gallons or more of oil or hazardous substances in tank storage at any time comply with the specific security provisions of sections 18 and 19.

**Section 18** provides that persons of whom specific security measures are required (See section 17) prepare and maintain a facility security plan, completed in consultation with local law enforcement. The plan must:

- ▶ summarize the methods used and result of an assessment of vulnerability of the facility to a terrorist attack;
- ▶ provide an inventory of the hazardous substance or oil subject to the security plan;
- ▶ assess the use of inherently safe technology in reducing or eliminating the vulnerability of the facility;
- ▶ describe actions and procedures undertaken to eliminate or lessen the vulnerability of the facility; and
- ▶ provide the names of all insurance carriers underwriting the facilities liability and workers’ compensation insurance policies.

**Section 19** provides that plans required under section 18 must be submitted within 90 days of the effective date of this section. Plans must be amended following significant change in the security measures, vulnerability, or presence of hazardous substances on the facility.

**Section 20** requires submission of security plans to the Commissioner of Public Safety within five days of their completion. Authorizes the commissioner access to the facility for the purpose of inspection. Authorizes announced and unannounced drills to demonstrate the adequacy of the plan.

**Section 21** provides that assessments and plans prepared under this section are nonpublic data, but may be provided to law enforcement, firefighters, members of the National Guard, or other representatives of a government entity responding to a request for services at the facility.



**Section 22** authorizes the Commissioner of Public Safety to require amendment of plans the commissioner finds wanting.

**Section 23** authorizes the Commissioner of Public Safety to require compliance with the security plan if oil or a hazardous substance is discharged from a facility.

**Section 24** provides that it is the jurisdiction of the Commissioner of Public Safety to carry out the security duties of chapter 115E.

**Section 25** extends the current statutory definitions for human trafficking to the new provisions created by sections 26 to 28. It also expands the duties of the Commissioner of Public Safety to include analyses of data on human trafficking and the establishment of policies to provide assistance to trafficking victims.

**Section 26** requires the commissioner to develop and implement a plan to address human trafficking. The plan must include training initiatives for law enforcement, prosecutors, social service providers, and public awareness initiatives. Training and awareness initiatives must be evaluated annually to ensure their effectiveness.

**Section 27** authorizes the commissioner to review existing services and facilities to enable the state and nongovernmental organizations to meet the needs of trafficking victims.

**Section 28** creates a 22-member human trafficking task force to advise and assist the commissioner to implement the provisions of sections 26 and 27. This section also details task force membership and procedures, and provides for the appointment of a task force coordinator. The task force expires June 30, 2011.

**Section 29** requires the Commissioner of Public Safety, by January 1, 2007, to contract with a nonprofit organization for the provision of a toll-free telephone hotline for human trafficking victims.

**Section 30** amends the current fine disposition structure for Hennepin County. Currently, all fine and penalty revenue is forwarded to the municipality or subdivision of government where the crime was committed, unless the county attorney had charge of the prosecution, in which case all revenue is credited to the general fund. The bill provides that the municipality or subdivision of government receives 80 percent of the fine revenue and 20 percent goes to the state general fund, unless the county attorney had charge of the prosecution, in which case all revenue is credited to the general fund.

**Section 31** eliminates the fees charged to the county or to the state or governmental subdivision for a case prosecuted in the district court.

**Section 32** delays the implementation of the modification related to sex offenders proposed by the Minnesota Sentencing Guidelines Commission until August 1, 2007.

**Section 33** repeals Minnesota Statutes, section 488A.03, subdivision 11b, an obsolete reference to the municipal court system.

## **Article 17 State Government**

**Section 1. STATE GOVERNMENT APPROPRIATIONS.** specifies that sums shown on the bill are added to appropriations made in Laws 2005, chapter 156, article 1. Provides definitions for terms of appropriation in the bill. Includes a summary by fund.

**Sections 2 to 7** provide supplemental appropriations and reductions for the Legislature, the Governor, the Department of Finance, the Office of Enterprise Technology, the Department of Employee Relations, the Department of Veterans Affairs, and the Amateur Sports Commission.

**Section 6**, paragraph (a), appropriates \$4,000,000 in fiscal year 2006 to reimburse state employees for hours for which they were not compensated due to the partial government shutdown of July 1, 2005, to July 14, 2005. The bill directs the Commissioner of Employee Relations to credit each employee's vacation bank with the hours that are due to the employee. The employee may elect to convert these hours to their cash equivalent.

**Section 7** contains six separate appropriations to the Department of Veterans Affairs.

Paragraph (c) establishes a program for grants to counties for the purpose of enhancing benefits and services to veterans. The rider language requires that the Commissioner of Veterans Affairs request grant proposals for grants that will provide effective outreach to veterans; reintegrate combat veterans into society; collaborate with other social service agencies, educational institutions, and other relevant community resources; reduce homelessness among veterans; and provide measurable outcomes. This appropriation also permits the Vinland Center and the Minnesota Assistance Council for Veterans to apply for grants from the same source of funding.

Paragraph (d) provides an appropriation for higher education veterans assistance offices throughout the state as described in section 12 of this bill.

**Section 9. LEGISLATIVE TRAINING FORUMS.** directs the Legislative Coordinating Commission to oversee two legislative training forums each year that will provide an overview of Minnesota issues and allow invited executive branch officials and legislators to form cooperative solutions. Allows the LCC to accept donations from foundations, corporations, and individuals for the cost of the forums but prohibits registered lobbyists or principals from making those donations.

**Section 10. EXPENSES OF GOVERNOR-ELECT.** provides a statutory appropriation for a newly elected governor who is not the current governor. The amount of the appropriation is fixed at 4.5

percent of the amount appropriated for the office of the governor in the fiscal year when the new governor is elected. This appropriation is subject to review and advice of the Legislative Advisory Commission and is for expenses of the governor-elect before taking office. Also directs the commissioner of administration to provide office space for the governor-elect and any employees hired by the governor-elect.

**Section 11. INFORMATION AND TELECOMMUNICATIONS ACCOUNT.** establishes an information and telecommunications technology systems and services account in the special revenue fund and appropriates receipts in the account to the Office of Enterprise Technology (OET) to defray costs of personnel and technology for activities that create government efficiencies. Authorizes the OET to bill state agencies for purchases of information and telecommunications technology systems and services. Credits these charges to the account established in this section.

**Section 12. CENTER FOR HEALTH CARE PURCHASING IMPROVEMENT.**

**Subdivision 1** requires the Commissioner of Employee Relations to establish and administer the Center of Health Care Purchasing Improvement as an administrative unit in the Department of Employee Relations.

**Subdivision 2** authorizes the commissioner to appoint a director and up to three additional senior-level staff and other staff as needed. All staff are unclassified. Authorizes the director, with the authorization of the Commissioner of Employee Relations and in consultation or interagency agreement with the appropriate commissioners, to:

- (1) initiate projects for the development of plan designs for state health purchasing;
- (2) require reports or surveys to evaluate the performance of current health care purchasing strategies;
- (3) calculate fiscal impacts of health care purchasing strategies;
- (4) conduct policy audits of state programs to measure conformity to state law or other purchasing initiatives or objectives;
- (5) support the Administrative Uniformity Committee and other groups to advance agreement of health care administrative process streamlining;
- (6) consult with the Health Economics Unit at the Department of Health regarding reports and assessment of the health care marketplace;
- (7) consult with the Departments of Health and Commerce regarding health care regulatory issues and legislative initiatives;

- (8) work with the Department of Human Services staff and Centers for Medicare and Medicaid Services to address federal requirements and conformity issues for health care purchasing;
- (9) assist Minnesota Comprehensive Health Association in health care purchasing strategies;
- (10) convene medical directors of agencies engaged in health care purchasing for advice, collaboration, and exploring synergies;
- (11) contact and participate with other relevant task forces, studies, and efforts; and
- (12) assist in seeking external funding and administer grants.

**Subdivision 3** requires the commissioner to annually report to the Legislature and the Governor on the operations, activities, and impacts of the Center. Requires the report to be posted on the Department's Web site and made available to the public.

**Section 13. ELECTION DAY REGISTRATION.** allows a tribal band member to prove residence for purposes of registering to vote by presenting an identification card issued by a tribal government that contains the name, signature, and a picture of the individual, and by presenting one of the documents listed in Minnesota Rules, part 8200.5100, subpart 2, item B (certain utility bills).

**Section 14. NATIONAL SPORTS CENTER.** This section amends previous session laws that have authorized the Minnesota Amateur Sports Commission (MASC) to lease up to 20 percent of land acquired with general fund appropriations to private or public entities for any use by the lessee that provides some benefit to amateur sports. Previous legislation authorized the MASC to lease the land for a term of up to 30 years. This bill amends that provision to authorize two additional renewals of the lease for a term of up to 30 years for each renewal.

**Section 15. PUBLIC BROADCASTING.** This section amends rider language enacted during the 2005 session to remove a requirement that Minnesota Public Radio, Inc., publicly provide a list of its employees and contractors making more than \$100,000 per year before the 2006-2007 appropriations are made available.

**Section 16. HIGHER EDUCATION VETERANS ASSISTANCE PROGRAM.** provides language to implement the appropriation made in section 7, paragraph (c), of this bill. Authorizes the Commissioner of Veterans Affairs to provide campus veterans assistance officers to serve the needs of students who are veterans at higher education institutions in Minnesota. Creates a steering committee to assist the commissioner in allocating appropriations and long-range planning for veterans in higher education. The committee is composed of: the Adjutant General or the Adjutant General's designee; a representative of MNSCU; a representative of the higher education services office; a representative of the University of Minnesota; a representative of private colleges and universities in Minnesota, appointed by the Governor; a representative of county veterans services

offices; and a representative of the Department of Employment and Economic Development appointed the Commissioner of the Department of Employment and Economic Development.

**Subdivision 3** requires each campus of the University of Minnesota and within MNSCU to provide space for veterans assistance offices to be administered by the Commissioner of Veterans Affairs.

**Subdivision 4** requires the steering committee established in subdivision 2 to provide an annual report to the legislature regarding this program.

**Subdivision 5** sunsets the program on June 30, 2009.

**Section 17. EFFECTIVE DATE.** makes the entire article effective the day following final enactment.

## **Article 18 Human Services Forecast Adjustments**

This article reduces appropriations to the Department of Human Services to reflect forecast changes.

## **Article 19 Health Department**

**Section 1 (144.366)** requires the Commissioner of Health to award grants community e-health collaborative projects to improve the implementation and use of interoperable electronic health records.

**Section 2 (144.551, subdivision 1)** adds exceptions to the hospital construction moratorium for (1) a 25-bed hospital in Cass County and (2) any projects that are eventually approved under section 144.553.

**Section 3 (144.552)** modifies the requirement that an entity seeking a moratorium exception must submit a plan to the Minnesota Department of Health (MDH) for a public interest review. This section requires a plan submission from an organization seeking to obtain a new hospital license only in cases where the organization has been notified by MDH that it is subject to the requirement for a public interest review. This section also requires MDH to conduct a public hearing as part of the review process.

**Section 4 (144.553)** establishes an alternative approval process for moratorium exceptions.

**Subdivision 1** requires an organization seeking a new hospital license to submit a letter of intent to MDH, specifying the location and number of beds for the proposed hospital. MDH must publish a notice giving other interested organizations 30 days to notify MDH that they

are also interested in obtaining a hospital license to serve the same area. If no other organizations express interest, MDH must notify the original entity that it is subject to a public interest review.

**Subdivision 2** requires MDH to conduct a needs assessment on the proposed new hospital if one or more additional organizations responds to the original letter of intent. The commissioner must make a determination of need within 90 days, and each interested organization must provide to MDH sufficient information to allow MDH to make this determination. If MDH determines the new hospital is not needed, the agency must notify the applicants.

**Subdivision 3** requires MDH, if it determines that a new hospital is needed, to do the following:

- select the applicant best able to provide services consistent with the review criteria established in this subdivision;
- determine market-specific criteria regarding access, quality, cost, and feasibility, and other criteria at the agency's discretion. In developing other criteria, MDH must consider the need for mental health services, the need for uncompensated care, and the need for coordination with other hospitals in order to avoid duplication and to provide specialized services in adequate volume to ensure high-quality care;
- define a service area for the proposed hospital. Parameters for establishing service areas are outlined in this subdivision;
- publish the criteria within 60 days of the determination of need and accept proposals from the applicants for an additional 60 days;
- select the most qualified applicant following (1) a hearing conducted by the agency or a designee, such as an administrative law judge; (2) a public hearing; and (3) consideration of input from legislators and local elected officials.
- submit the recommended proposal, during the time frame outlined, to a regular session of the Legislature.

Legislative acceptance of the proposal constitutes approval of a moratorium exception. Legislative rejection concludes the process but does not prohibit a new application. In the event of a legislative failure to act, upon the conclusion of the legislative session MDH must make the agency's recommendation the final approval of the project. The terms "legislative acceptance," "legislative rejection," and "legislative failure to act" are defined.

**Subdivision 4** requires the parties to any stage of the process outlined in this section to pay an equal share of the agency's expenses.

**Section 5 (144.90)** establishes a state-level methamphetamine coordinator.

**Subdivision 1** establishes a state-level, statewide methamphetamine coordinator in the Department of Health. The purpose of the coordinator is to coordinate the state's efforts related to reducing the incidence of methamphetamine addiction and the related consequences, by working with various agencies, local units of government, law enforcement, the courts, the chemical dependency treatment community, the federal government, other states, and other interested individuals.

**Subdivision 2** specifies the duties of the methamphetamine coordinator.

**Subdivision 3** requires the coordinator to provide an annual update to the legislature by January 15, summarizing goals that have been established and met, and plans for the upcoming year.

**Subdivision 4** requires the commissioner of health to provide the coordinator with adequate office space and administrative services.

**Section 6 (144.995)** creates the healthy biomonitoring program.

**Subdivision 1** states that this act may be cited as the healthy Minnesotans biomonitoring program.

**Subdivision 2** defines the following terms: "biomonitoring," "biospecimen," "commissioner," "panel," and "toxic chemical."

**Subdivision 3, paragraph (a)**, requires the Commissioner of Health to establish the healthy biomonitoring program. States that the program shall provide community-based biomonitoring on a voluntary and confidential basis by utilizing biospecimens to identify toxic chemicals in the environment.

**Paragraph (b)** states that initially the program shall examine breast milk in three economically, racially, and geographically diverse communities and identify any toxic chemical that is present in the breast milk. The commissioner shall expand the program by examining other biospecimens in additional communities as funds become available.

**Paragraph (c)** states that when a toxic chemical is detected in a participant, the commissioner, in consultation with the Commissioners of Agriculture, Natural Resources, and the Pollution Control Agency, and other entities, must examine the possible presence of the toxic chemical in the surrounding environment and possible routes of exposure and disease outcomes, and must develop recommendations to reduce or minimize possible contamination or exposure to the toxic chemical.

**Subdivision 4, paragraph (a)**, states that participation in the program is voluntary. Participants shall be evaluated for the presence of toxic chemicals. Participants will also receive consultation, health care referrals, follow-up counseling, and offered educational materials.

**Paragraph (b)** states that the individual results of the participants are health data for purposes of Minnesota Statutes, section 13.3805, and shall not to be made public without the written and informed consent of the individual.

**Subdivision 5, paragraph (a)**, requires the commissioner to develop:

- (1) model protocols or guidelines that address the science and practice of biomonitoring to be utilized;
- (2) guidelines for ensuring confidentiality, informed consent, follow-up counseling and support, and communicating findings;
- (3) educational and outreach materials for dissemination to participants and communities;
- (4) a training program for health care providers, educators, and other program administrators; and
- (5) a designation process for state and private laboratories that are qualified to analyze biospecimens and report findings.

**Paragraph (b)** authorizes the commissioner to enter into contractual agreements with health clinics, community-based organizations, or experts to perform any of the activities described under this subdivision.

**Section 7 (144.996)** establishes a healthy Minnesotans biomonitoring program advisory panel.

**Subdivision 1** creates the advisory panel consisting of two committees, the scientific committee and the community representative committee.

**Subdivision 2** describes the membership of each of the committees.

**Subdivision 3** describes the duties of each committee.

**Section 8 (144.997)** establishes the toxic chemicals that are to be included within the scope of the program.

**Subdivision 1** requires the commissioner to identify and list the toxic chemicals that are to be included. States that to be included on the list, the following criteria must be met:



- (1) the chemical must be recommended for inclusion by the scientific committee;
- (2) the scientific, peer-reviewed data from studies have demonstrated the chemical is known or strongly suspected to negatively impact human health by contributing to an increase in serious illness or mortality;
- (3) Minnesotans are exposed to the chemical; and
- (4) the chemical is listed as a toxic chemical on either a state or federal list.

**Subdivision 2** requires the commissioner to prioritize the toxic chemicals according to the threat the chemical poses to public health. The commissioner shall initially implement the biomonitoring activities with regard to the top 20 toxic chemicals that present the greatest public health risk and add additional chemicals in order of priority to the extent funds are available.

**Section 9 (144.998)** creates a healthy Minnesotans biomonitoring program account in the state government special revenue fund and states that all funds appropriated are to be deposited in this account. The commissioner is required to seek funding from federal and private sources.

**Section 10 (144.999)** requires the commissioner to submit a report to the Legislature by January 15, 2008, summarizing the initial activities of the program. Thereafter, the commissioner is required to submit biennial reports describing the effectiveness of the program. The report shall be made available to local public health departments and the general public in a summary format. The report shall be available through the Department's Web site.

The effective date of sections 6 to 10 is dependent on receiving sufficient nonstate funds to implement the program.

**Section 11** eliminates the reduction to the family planning special projects grants that was passed last session in the Health and Human Services Omnibus bill. This reduction was to take place beginning fiscal year 2007 but only if full implementation of the family planning project had taken place. The grants were to be reduced by \$1.877 million each year.

## **Article 20 Health Care**

**Section 1 (47.58, subdivision 8)** amends the existing statute regulating reverse mortgages by requiring the mandatory counseling a borrower must receive to include an explanation of the new reverse mortgage incentives established in this bill.

**Section 2 (144A.071, subdivision 4c)** authorizes a nursing home moratorium exception to build a nursing home of up to 80 beds on the Ah-Gwah-Ching campus using bed licenses transferred from

the state-owned facility. The operating rate for the new facility must be determined under existing rules and law. The property payment rate is set at \$25 per day for the first three years.

**Section 3 (144A.441)** modifies the home care bill of rights to require that assisted living clients receive 30 days of advance notice, rather than ten days, regarding the termination of a service by a provider, except in certain unusual circumstances.

**Section 4 (144A.442)** requires that when a non-Medicare-certified provider of home care services terminates services to an assisted living client, the provider must give the client a written notice that includes certain required information, including the date of termination, reason for termination, contact information for other service providers, and an offer to coordinate the transfer of care.

**Section 5 (144A.4605)** changes the title of licensed providers that offer home care services to residents of housing with services establishments. These providers are referred to as “class F home care providers” rather than “assisted living home care providers.”

**Section 6 (144D.01, subdivision 2a)** adds a definition of “arranged home care provider” to the statute regulating housing with services establishments.

**Section 7 (144D.015)** clarifies the definition of “assisted living facility” and “assisted living residence” for purposes of consistency with long-term care insurance terminology.

**Section 8 (144D.02)** deletes outdated language.

**Section 9 (144D.03, subdivision 2)** deletes outdated language.

**Section 10 (144D.04)** modifies the contents of a housing with services contract. It clarifies language and requires the contract to include contact information for long-term care consultation services.

**Section 11 (144D.045)** outlines the information a housing with services establishment must provide to prospective residents regarding assisted living service providers that offer services in the establishment.

**Section 12 (144D.05)** deletes outdated language.

**Section 13 (144D.065)** corrects terminology.

**Sections 14 to 19 establish a new Chapter 144G regulating assisted living services.**

**Section 14 (144G.01)** defines terms.

**Section 15 (144G.02)** prohibits a person or entity from using the phrase “assisted living” to advertise or describe itself unless the entity is a housing with services establishment that meets the requirements of Chapter 144G or the person or entity provides some or all components of assisted

living that meet these requirements. An establishment that only offers assisted living services in a portion of its housing units must identify the number or location of those units and may not use the term “assisted living” in its name. This section also authorizes the Commissioner of the Minnesota Department of Health (MDH) to enforce this chapter.

**Section 16 (144G.03)** requires that assisted living services be provided only to individuals living in a registered housing with services establishment. This section also establishes minimum requirements for assisted living services. A housing with services establishment using the phrase “assisted living” to identify or market itself must register annually with MDH to verify compliance with this chapter. Minimum assisted living service requirements include:

- the provision of health-related services, including medication administration or assistance with self-administration and assistance with at least three of seven listed activities of daily living;
- provision of necessary client assessments by a registered nurse;
- a system to supervise and evaluate the delegation of health care activities to unlicensed health care personnel;
- staff access to an on-call registered nurse at all times;
- a system to check at least daily on each client;
- a person available at all times who is responsible for responding to client requests who is awake, located in the same building or nearby, and capable of understanding and responding to requests for assistance;
- the provision of, or offer to provide, two meals each day, weekly housekeeping and laundry service, and assistance in accessing other services; and
- provision of a consumer information guide.

Exemptions from the awake staff requirement are established for establishments that serve 12 or fewer assisted living clients. This section also regulates the provision of nurse assessments prior to move in, the provision of information to help a resident who has concerns about assisted living services being provided, and the provision of notice to a resident when the establishment terminates the client’s housing contract.

**Section 17 (144G.04)** protects a client from having to utilize any assisted living services made available in the establishment and protects the rights of the establishment to terminate contracts under certain circumstances; to decline to serve a client whose needs cannot be met; to refuse to fundamentally alter the operation of the establishment to accommodate a resident; and to require a

resident, as a condition of residency, to pay for a package of assisted living services even if the client chooses not to utilize every service.

**Section 18 (144G.05)** allows providers who do not meet the requirements of this chapter to continue to receive payment for assisted living services under several waiver programs if they continue to satisfy federal standards.

**Section 19 (144G.06)** requires MDH, after receiving the recommendations of an advisory committee, to adopt a uniform format and required components for a consumer information guide and make them available to assisted living providers.

**Section 20 (256.01, subdivision 2b)** requires the Commissioner of Human Services to develop and implement a pay-for-performance system to provide performance payments to medical groups that demonstrate optimum care in serving individuals with chronic care who are enrolled in public health care programs.

**Section 21 (256.01, subdivision 23)** requires the Department of Human Services (DHS), in cooperation with the Minnesota Housing Finance Agency (MHFA), to (1) establish an information and referral system to inform eligible persons about reverse mortgages and state incentives to use them, and (2) coordinate necessary training for Senior LinkAge Line employees, mortgage counselors, and lenders regarding these new incentives.

**Section 22 (256.9545)** establishes the Prescription Drug Discount program.

**Subdivision 1** authorizes the Commissioner of Human Services to establish and administer the Prescription Drug Discount program.

**Subdivision 2** requires the commissioner to administer a drug rebate program for drugs purchased by enrollees of the program. The commissioner shall execute a rebate agreement from all manufacturers who choose to participate in the program for those drugs covered under the medical assistance program. The rebate amount shall be equal to the basic rebate provided through the federal rebate program.

**Subdivision 3** defines the terms: “commissioner,” “participating manufacturer,” “covered prescription drug,” “health carrier,” “participating pharmacy,” and “enrolled individual.”

**Subdivision 4** establishes eligibility requirements for the program.

**Paragraph (a)** states that an applicant must:

- (1) be a permanent resident of Minnesota;
- (2) not be enrolled in medical assistance, general assistance medical care, or MinnesotaCare;

- (3) not be enrolled in prescription drug coverage under a health plan offered by a health carrier or employer or under a pharmacy benefit program offered by a pharmaceutical manufacturer;
- (4) not be enrolled in prescription drug coverage under a Medicare supplemental policy; and
- (5) have individual or family gross income equal to or less than 300 percent of FPG.

**Paragraph (b)** states that notwithstanding paragraph (a), an individual enrolled in a Medicare Part D prescription drug plan or Medicare Advantage plan is eligible but only for drugs that are not covered under the Part D plan or for drugs that are covered under the plan, but pursuant to the terms of the plan, the individual is responsible for 100 percent of the cost of the prescription drug.

**Subdivision 5, paragraph (a)**, requires applications and information on the program to be available at county social services agencies, health care provider offices, and agencies and organizations serving senior citizens. Requires individuals to submit any information deemed necessary by the commissioner to verify eligibility to the county social services agencies. Requires the commissioner to determine eligibility within 30 days from receiving the application. Upon approval, the applicant must submit the enrollment fee established under **subdivision 10**. Eligibility begins the month after the enrollment fee is received.

**Paragraph (b)** requires an enrollee's eligibility to be renewed every 12 months.

**Paragraph (c)** requires the commissioner to develop an application that does not exceed one page in length and requires information necessary to determine eligibility.

**Subdivision 6** requires participating pharmacies to sell a prescription drug to an enrolled individual at the medical assistance rate until January 1, 2008. After January 1, 2008, the prescription drug must be sold at the medical assistance rate, minus an amount equal to the rebate described in subdivision 8. Requires a participating pharmacy to provide the commissioner with any information the commissioner determines necessary to administer the program, including information on sales to enrolled individuals and usual and customary retail prices.

**Subdivision 7** requires the commissioner to notify the participating manufacturers on a quarterly basis or on a schedule established by the commissioner of the amount of rebate owed on the prescription drugs sold by a participating pharmacy to enrolled individuals.

**Subdivision 8** requires a participating manufacturer to provide a rebate equal to the rebate provided under the medical assistance program for each prescription drug distributed by the manufacturer that is purchased by an enrolled individual at a participating pharmacy. Requires the manufacturer to provide full payment within 38 days of receipt of the state invoice for the rebate or according to a schedule established by the commissioner. Requires the commissioner to deposit all rebates received into the prescription drug dedicated fund.

Requires the manufacturers to provide the commissioner with any information necessary to verify the rebate determined per drug.

**Subdivision 9** requires the commissioner to distribute on a biweekly basis an amount equal to the amount collected under subdivision 8 to each participating pharmacy based on the prescription drugs sold by that pharmacy to enrolled individuals on or after January 1, 2008.

**Subdivision 10** authorizes the commissioner to establish an annual enrollment fee that covers the expenses of enrollment, processing claims, and distributing rebates.

**Subdivision 11** establishes a prescription drug dedicated fund as an account in the state treasury. Requires the Commissioner of Finance to credit the fund with the rebates and any appropriations designated for the fund, and any federal funds received for the program. Requires the money in the fund to be appropriated to the commissioner to reimburse participating pharmacies for prescription drugs discounts and for other administrative costs related to the program.

**Section 23 (256.975, subdivision 7)** requires the Senior LinkAge Line to provide information and assistance to older adults about reverse mortgages and about the new incentive program.

**Section 24 (256B.0625, subdivision 13i)** provides medical assistance coverage for co-payments paid under a Medicare Part D prescription drug plan or Medicare Advantage plan.

**Section 25 (256B.075, subdivision 2)** requires the commissioner to develop and implement an intensive care management pilot program for MA recipients who have complex and chronic medical issues or who have high risk of developing them, and who receive their primary care through a federally qualified health center or community clinic.

**Section 26 (256B.0911, subdivision 1a)** provides that a community support plan, which may be developed as part of long-term care consultation services, may include the use of reverse mortgage payments to pay for services needed to maintain a person at home.

**Section 27 (256B.0911, subdivision 3a)** provides that if a person chooses to obtain a reverse mortgage as part of the community support plan, the plan must include spending goals for the reverse mortgage payments. This section also requires long-term care consultation teams to provide interested persons with information about reverse mortgages and incentives to use them.

**Section 28 (256B.0913, subdivision 17)** provides regular Alternative Care (AC) services and other benefits to persons meeting listed qualifications. To qualify, a person must (1) exhaust a reverse mortgage obtained under the incentive program established in section 462A.05, subdivision 42, or, if the mortgage was obtained through another avenue, use 24 months or \$15,000 worth of payments for services and supports to maintain the person at home and (2) satisfy AC program eligibility requirements, other than age and income and asset limits, and verify that reverse mortgage expenditures were made according to a spending plan established in connection with long-term care consultation services, if a plan has been established. In addition to other AC services, persons who

qualify under this subdivision are exempt from monthly AC fees and from estate claims for AC services received.

**Section 29 (256B.0918, subdivision 1)** narrows the exclusion of management staff from scholarship funding for community-based programs. Under this section, only executive management staff without direct care duties would be excluded (along with registered nurses and therapists who remain excluded).

**Section 30 (256B.0918, subdivision 3)** allows providers to qualify if they receive at least \$300,000 annually in Medical Assistance payments. Currently, the minimum is \$500,000.

**Section 31 (256B.0918, subdivision 4)** allows selected providers to receive a three-tenths of one percent rate increase, rather than two-tenths as provided under current law.

**Section 32 (256B.15, subdivision 9)** amends the Medical Assistance (MA) claims law to prohibit claims for AC services provided under section 256B.0913, subdivision 17.

**Section 33 (256B.434, subdivision 4)** requires DHS to develop incentive payments of up to five percent for nursing facilities that achieve outcomes specified in a contract.

**Section 34 (256B.437, subdivision 3)** prohibits planned closure rate adjustments and single-bed incentives for nursing facilities in Cass County after April 1, 2006.

**Section 35 (256B.69, subdivision 9)** modifies the reporting requirements of health plans participating in Medical Assistance (MA). This section defines the following as public data that the Department of Human Services (DHS) must publicize: nonpersonally identifiable health plan encounter data, aggregate spending data for major categories of service, and criteria for service authorization and service use. This section also requires health plans and county-based purchasing plans to provide encounter data and written policies and procedures regarding service authorization to DHS.

**Section 36 (256B.69, subdivision 23)** allows DHS to contract with Medicare-approved special needs plans to provide MA services to the elderly and persons with disabilities. This section also modifies the language governing expansion of the Minnesota Disability Health Options (MnDHO) Program. Until 2008, expansion for MnDHO projects that include home and community-based services is limited to the two projects currently in place. Enrollment in them must remain voluntary. MnDHO costs for home and community-based services must not exceed fee-for-service costs. In planning expansion of integrated programs, the commissioner must consult the stakeholder group established in the next section. Plans for further MnDHO expansion must be presented to the Legislature in 2007.

**Section 37 (256B.69, subdivision 28)** authorizes DHS to contract with Medicare-approved special needs plans to provide MA basic health care services to persons with disabilities. "Basic health care services" are defined. Unless a person is otherwise required to enroll in managed care, enrollment in these plans must be voluntary. Automatic enrollment with an option to opt out is not considered

voluntary. Beginning in 2007, DHS may contract with special needs plans to provide MA basic health care services to persons who are dually eligible for Medicare and MA, and to Social Security beneficiaries who are eligible for MA but in the waiting period for Medicare. Payments for MA services provided under this subdivision in May and June must be made no earlier than July 1. Beginning in 2008, DHS may expand contracting to all persons with disabilities not otherwise required to enroll in managed care. This section also requires establishment of a state-level stakeholder group to advise the department on managed care programs for persons with disabilities. Each health plan under contract to provide MA basic health care services must establish a local or regional stakeholder group.

**Section 38 (256B.76), paragraph (c)**, states that the reimbursement rates for critical access dental providers shall be 6.88 percent above the rate they would otherwise be paid.

**Paragraph (d)** requires the commissioner to award special hardship grants to nonprofit dental providers with a high proportion of uninsured patients who do not receive a financial benefit comparable to other critical access dental providers under the critical access provider formula.

**Section 39 (256D.03, subdivision 3)** exempts certain GAMC enrollees from having to shift from GAMC to MinnesotaCare, as required.

**Section 40 (256L.01, subdivision 4)** eliminates the add back of depreciation for farm self-employed income for purposes of determining income eligibility under MinnesotaCare.

**Section 41 (256L.03, subdivision 1)** contains a change related to eliminating the limited benefit set for single adults in MinnesotaCare.

**Section 42 (256L.03, subdivision 3)** increases the inpatient hospitalization annual limit from \$10,000 to \$20,000 in MinnesotaCare.

**Section 43 (256L.03, subdivision 5)** eliminates the co-pay for restorative dental services for single adults without children with income below 175 percent of FPG. This section also contains changes related to the inpatient hospitalization limit increase.

**Section 44 (256L.04, subdivision 1a)** states that the requirement that an applicant provide their Social Security number does not apply to undocumented noncitizens and nonimmigrants who are eligible for MinnesotaCare.

**Section 45 (256L.04, subdivision 7)** increases the income eligibility limit from 175 percent to 200 percent of FPG for single adults and households without children in MinnesotaCare.

**Section 46 (256L.04, subdivision 10)** states that children who are noncitizens or nonimmigrants are eligible for MinnesotaCare. This section also requires families with children who are citizens and nationals of the United States to provide documentation evidence of citizenship or nationality as required under federal law.



**Section 47 (256L.04, subdivision 14)** requires the commissioner to award grants to organizations to provide information regarding the MinnesotaCare program in areas of the state with high uninsured populations.

**Section 48 (256L.07, subdivision 1)** contains a change related to the income eligibility limit increase. This section also contains a change related to the exemption for children from the four-month insurance barrier and the ESI-18 month barrier to MinnesotaCare.

**Section 49 (256L.07, subdivision 2)** exempts children from the requirement that to be eligible for MinnesotaCare, the applicant must not have had access to employer-subsidized health coverage for the past 18 months.

**Section 50 (256L.07, subdivision 3)** exempts children from the requirement that to be eligible for MinnesotaCare, the applicant must not have had other health coverage for the past four months.

**Section 51 (256L.11, subdivision 1)** makes a conforming change.

**Section 52 (256L.11, subdivision 7)** increases the MinnesotaCare payment rates for dental services provided by critical access dental providers by 50 percent above the rate that would otherwise be paid to the provider.

**Section 53 (256L.11, subdivision 8)** increases the MinnesotaCare provider payment rates by 1.85 percent for services provided on or after July 1, 2006. This section also requires the Commissioner of Finance to determine the balance of the health care access fund beginning September 1, 2008, and each year thereafter, and establish the rate increase for the following fiscal year depending on the balance.

**Section 54 (256L.25, subdivision 1)** eliminates premiums for members of the military who enroll in MinnesotaCare within 24 months following the member's tour of active duty. This exemption applies for 12 months so long as the individual or family remains eligible for the program during this period.

**Section 55 (256L.15, subdivision 2)** eliminates the eight percent premium increase for MinnesotaCare premiums, passed last session.

**Section 56 (256L.20)** establishes the small employer option for MinnesotaCare.

**Subdivision 1** defines the following terms: "dependent," "eligible employer," "eligible employee," "participating employer," and "program."

**Subdivision 2** authorizes enrollment in MinnesotaCare coverage for all eligible employees and their dependents, if the eligible employer meets the requirements of subdivision 3.

**Subdivision 3** states that to participate, an eligible employer must:

- (1) agree to contribute toward the cost of the premium for the employee and the employee's dependent;
- (2) certify that at least 75 percent of its eligible employees who do not have other creditable health coverage are enrolled in the program;
- (3) offer coverage to all eligible employees and the dependents of those employees; and
- (4) not have provided employer subsidized health coverage as an employee benefit during the previous 12 months.

**Subdivision 4** requires the employer to pay 50 percent of the premium for eligible employees without dependents with income equal to or less than 175 percent of FPG and for eligible employees with dependents with income equal to or less than 275 percent of FPG. States that for eligible employees without dependents with income over 175 percent of FPG and eligible employees with dependents with income over 275 percent of FPG, the employer must pay the full cost of the maximum premium. Permits employer to require the employee to pay a portion of the cost of the premium so long as the employer pays 50 percent of the total cost. If the employee is required to pay a portion of the premium, the payment shall be made to the employer. Requires the commissioner to collect the premiums from the participating employers.

**Subdivision 5** states that the coverage provided shall be the MinnesotaCare covered services with all applicable co-pays and coinsurance.

**Subdivision 6** states that upon the payment of the premium, eligible employees and their dependents shall be enrolled in the MinnesotaCare program. States that the insurance barrier of Minnesota Statutes, section 256L.07, subdivisions 2 and 3, do not apply. Authorizes the commissioner to require eligible employees to provide income verification to determine premiums.

**Section 57 (462A.05, subdivision 42)** requires MHFA, in cooperation with DHS, to establish a reverse mortgage incentive program to help individuals pay costs necessary to maintain them in their homes as an alternative to nursing facility placement. To qualify a person must: (1) be age 62 or older; (2) be eligible for MA within 365 days of admission to a nursing facility; (3) not be eligible for MA or for the Elderly Waiver; (4) need services not paid for by government programs; (5) obtain a reverse mortgage on a home worth \$150,000 or less; and (6) use the mortgage proceeds for at least 24 months or in the amount of \$15,000 for qualifying services. Program incentives for eligible persons include: (1) payment of up to \$1,500 of the initial mortgage insurance premium, (2) payments to reduce reverse mortgage service fee set-asides, and (3) other incentives approved by MHFA.

**Section 58** modifies the language adopted in 2005 that funds the scholarship program for community-based programs with a transfer from the Board of Nursing. This section allows unspent funds at the end of a biennium to carryover rather than be transferred back to the special revenue

fund, and it extends the paragraph authorizing transfers until June 30, 2011. The expiration date in current law is June 30, 2009.

**Section 59** requires the Commissioner of Human Services to seek reimbursement from the federal government for funds expended by the state to provide drug coverage to medical assistance recipients who are enrolled in or eligible for Medicare Part D.

**Section 60** requires DHS, in consultation with counties, to report to the Legislature a list of core county long-term care functions and an analysis of existing and potential funding sources.

**Section 61** establishes the Pharmacy Payment Reform Advisory Committee to advise the Commissioner of Human Services and make recommendations to the Legislature in implementing federal charges.

**Subdivision 1** defines the following terms: "department," "commissioner," "cost of dispensing," "additional costs," and "advisory committee."

**Subdivision 2** establishes the advisory committee. Describes the makeup of the committee. States that the committee expires on January 31, 2008.

**Subdivision 3** requires the commissioner to conduct a prescription drug cost of dispensing study to determine the average cost of dispensing prescriptions under the medical assistance program. Requires the commissioner to contract with an independent third party to conduct the study.

**Subdivision 4** requires the study to determine the cost of dispensing the average prescription and any additional costs that may be incurred for dispensing prescriptions under the medical assistance program. Requires the study to include the current level of dispensing fees paid to providers and an estimate of revenues required to adequately adjust reimbursement to cover the cost to pharmacies.

**Subdivision 5** requires the third-party entity to submit to the advisory committee the entity's proposed research methodology and publish the collected data to allow other researchers to validate the study results. States that any data published shall not identify the source of the data.

**Subdivision 6** requires the advisory committee to use the information from the study and make recommendations to the commissioner on implementation of pharmacy reforms. Requires the commissioner to report the findings of the study and recommendations of the advisory committee to the Legislature by January 15, 2007. Requires the commissioner to conduct a cost of dispensing study every three years following the initial report. Requires the commissioner to make recommendations to the Legislature on how to adequately adjust reimbursement rates to pharmacies to cover the costs of dispensing and additional costs to pharmacies.

**Section 62** delays until May 31, 2007, the required repayment by counties that overspent their developmental disabilities waiver allocation in 2004 or 2005.

**Section 63** requires DHS to establish one or more stakeholder groups to provide information and advice on the development of any proposals to modify MA as authorized by the recent federal Deficit Reduction Act (DEFRA).

**Section 64** is a Revisor's instruction.

**Section 65, paragraph (a)**, repeals the limited benefit set for single adults and households without children, effective July 1, 2007.

**Paragraph (b)** repeals an MDH rule part.

## **Article 21 Health Care Federal Compliance**

**Section 1 (62A.045)** requires health insurers to comply with the requirements of the federal Deficit Reduction Act of 2005 and defines "health insurer."

**Section 2 (144.6501, subdivision 6)** modifies the law prohibiting nursing facilities from requiring residents to remain in private pay status for a period of time after admission. A requirement of this type is permissible if allowed under federal law.

**Section 3 (256B.02, subdivision 9)** expands the definition of "private health care coverage" used in the Medical Assistance (MA) chapter to include a pharmacy benefit manager, service benefit plan, managed care organization, or other party legally responsible for payment of health care services provided to a public health care program client.

**Section 4 (256B.056, subdivision 2)** caps at \$500,000 the permitted equity interest in the homestead allowed for an MA recipient of long-term care services, unless certain of the recipient's relatives reside in the home. The amount must be adjusted for inflation beginning in 2011, and the cap may be waived in cases of demonstrated hardship.

**Section 5 (256B.056, subdivision 3e)** requires the entrance fee paid by an individual to a continuing care retirement or life care community to be treated as an available asset under certain circumstances.

**Section 6 (256B.056, subdivision 11)** requires DHS to be made a preferred remainder beneficiary of any annuity owned by a recipient of MA long-term care services or the recipient's spouse.

**Section 7 (256B.0571)** modifies the Partnership Program adopted last year in order to comply with recent federal law.

**Subdivisions 1 to 7a** delete several unneeded definitions; clarify that a Partnership Policy must be issued on or after the effective date of the state plan amendment or qualify under subdivision 8a. It also adds a definition of “protected assets.”

**Subdivision 8** clarifies that in order to participate in the Partnership Program, a person must be a Minnesota resident at the time coverage first becomes effective under a partnership policy and that the policy must be issued no earlier than July 1, 2006. This subdivision deletes a reference to minimum policy benefits, which are removed later in this section, and requires a person to exhaust all policy benefits in order to receive asset protection under the MA program.

**Subdivision 8a** allows existing long-term care insurance policies to qualify for the partnership program by being exchanged for a qualifying policy or by having a policy rider added, if permitted under federal law or approved by federal authorities.

**Subdivision 9** establishes procedures for allowing qualifying individuals, when applying for MA payment of long-term care services, to designate protected assets, including the determination of market value, valuation of life estates and joint tenancies, and the extent of and limits on the right to protect assets. Protection does not apply to recovery from trusts or annuities and similar legal instruments.

**Subdivision 10** deletes policy requirements not allowed under federal law and establishes inflation protection required by federal law.

**Subdivision 11** is stricken. It authorized “total asset protection policies,” which are not permitted under federal law.

**Subdivision 12** updates a reference to applicable federal law.

**Subdivision 13** modifies the language placing limits on MA estate recovery. It states that protected assets are not subject to MA estate claims nor to the collection procedure for small claims under the uniform probate code. However, protected assets do not continue to be protected in the surviving spouse’s estate if the surviving spouse also receives MA benefits. This subdivision requires personal representatives to use the value of available asset protection to protect the full value of each protected asset to the extent possible, rather than partially protecting a larger number of assets. The asset protection expires when the estate distributes an asset or if the estate is not probated within one year of death.

**Subdivision 14** requires DHS to submit a state plan amendment to the federal government to implement the Partnership Program in accordance with this section.

**Subdivision 15** exempts protected assets from the MA lien law to the extent they are protected under subdivision 9.

**Subdivision 16** places the burden of proof on the individual or the individual's estate to document that an asset has been protected and remains protected.

**Section 8 (256B.0594)** requires that when payment becomes due under an annuity naming DHS as a remainder beneficiary, DHS must be paid the lesser of the amount due to DHS under the annuity or the total amount of MA paid on behalf of the recipient or the recipient's spouse.

**Section 9 (256B.0595, subdivision 1)** prohibits the transfer of assets for less than fair market value for 60 months before application for MA. The prohibition applies to assets transferred on or after February 8, 2006. This section also treats the purchase of an annuity as a transfer for less than fair market value unless DHS is named as the remainder beneficiary in first position or the annuity satisfies other requirements. The transfer prohibition also applies to the purchase of a promissory note, loan, mortgage, or life estate interest unless certain requirements are satisfied.

**Section 10 (256B.0595, subdivision 2)** changes the start date for a period of ineligibility based on an uncompensated transfer made on or after February 8, 2006. For an applicant the penalty period starts on the date on which the person becomes eligible for MA payment of long-term care services. This section also deletes the provision disregarding uncompensated transfers of \$200 or less per month and requires multiple uncompensated transfers, none of which would require a full-month penalty period, to be added together and treated as one transfer.

**Section 11 (256B.0595, subdivision 3)** amends the statute allowing the county to grant a hardship waiver of a penalty period resulting from the uncompensated transfer of a homestead. It allows nursing facilities, with the resident's consent, to file the waiver request regarding penalties resulting from transfers made on or after February 8, 2006.

**Section 12 (256B.0595, subdivision 4)** allows nursing facilities, with the resident's consent, to file a request for the waiver of penalties resulting from transfers of non-homestead assets made on or after February 8, 2006.

**Section 13 (256B.06, subdivision 4)** requires citizens or nationals of the United States to document that status when applying for MA.

**Section 14 (256B.0625, subdivision 1a)** deletes the prohibition on MA payment for non-emergency care provided in a hospital emergency room and replaces it with language limiting payment for the facility component of non-emergency care to the payment level of the appropriate outpatient clinic facility component.

## **Article 22**

### **Qualified Long-term Care Insurance Regulatory Changes**

This article modifies Chapter 62S, which regulates long term care insurance in Minnesota. All of the changes are mandated by federal law in order to permit the state to implement the long term care partnership program. The most significant changes are to (1) increase consumer disclosures; (2) require development of product suitability standards; and (3) require new insurance agent training.

Numerous technical regulatory changes are made to reflect the current National Association of Insurance Commissioners (NAIC) model law.

**Section 1 (62S.05, subdivision 4 )** allows the Commissioner of Commerce to extend the six-month pre-existing condition limitations period as to specific age group categories upon finding the extension is in the best interest of the public.

**Section 2 (62S.08, subdivision 3)** adds language to the standard format outline of coverage related to policy renewability provisions and terms under which the company may change premiums. Also gives resources for consumer questions.

**Section 3 (62S.081, subdivision 4)** names the referenced forms.

**Section 4 (62S.10, subdivision 2)** specifies that a summary for an individual life insurance policy that provides long-term care benefits by rider must include a statement that the long-term care inflation protection option required by section 62S.23 is not available under that policy.

**Section 5 (62S.13, subdivision 6)** provides that the contestability provisions of this section shall not apply to the remaining death benefit of a life insurance policy that accelerates benefits for long-term care. In that situation, the remaining death benefits are governed by the contestability provisions of the life insurance statutes.

**Section 6 (62S.14, subdivision 2)** provides that the term “level premium” may only be used when the insurer does not have the right to change the premium.

**Section 7 (62S.15)** specifies that a policy may exclude coverage for expenses for services or items available or paid under another long-term care insurance policy or health insurance policy.

**Section 8 (62S.20, subdivision 1)** requires a long-term care insurance policy to include a statement that coverage is guaranteed renewable or noncancelable and a statement that premium rates may change if the insurer has the right to change the premium.

**Section 9 (62S.24, subdivision 1)** modifies required questions on the application form.

**Section 10 (62S.24, subdivision 1a)** requires agents to list on the application form all other health insurance policies they have sold to the applicant that are still in force or were sold in the past five years and are no longer in force.

**Sections 11 (62S.24, subdivision 3) and 12 (62S.24, subdivision 4)** modify language in the notice required if replacement coverage is involved in a sale of long-term care insurance.

**Section 13 (62S.24, subdivision 7)** requires that life insurance policies that accelerate benefits for long-term care comply with the section related to application forms and replacement coverage if the policy being replaced is a long-term care insurance policy. If the policy being replaced is a life insurance policy, the insurer shall comply with replacement requirements of the life insurance

statutes. If a life insurance policy that accelerates benefits for long-term care is replaced by another policy, the insurer must comply with both the long-term care and the life insurance replacement requirements.

**Section 14 (62S.25, subdivision 6)** provides a definition of “claim” for purposes of insurer reporting.

**Section 15 (62S.25, subdivision 7)** specifies the form of required reports on claim denial and replacement and lapse.

**Section 16 (62S.26)** provides that minimum loss ratio requirements do not apply to life insurance policies that accelerate benefits for long-term care if the policy complies with specified provisions, including the filing of an actuarial memorandum with the commissioner.

**Section 17 (62S.266, subdivision 2)** specifies nonforfeiture benefit offer requirements for group long-term care policies.

**Section 18 (62S.29, subdivision 1)** requires insurers to establish agent training requirements to assure that marketing activities are fair and accurate. Requires copies of specified disclosure forms be provided to the applicant along with an explanation of contingent benefit upon lapse.

**Section 19 (62S.30)** requires every insurer marketing long-term care insurance to develop and use suitability standards to determine whether the purchase of long-term care insurance is appropriate for the needs of the applicant and to train its agents in the use of the standards. Requires the agent to obtain detailed information from the applicant and fill out a long-term care insurance personal worksheet. Requires insurer reporting.

**Section 20 (62S.315)** requires the Commissioner of Commerce to approve insurer and producer training requirements in accordance with the NAIC Model Act.

### **Article 23**

#### **Miscellaneous Health and Human Services**

**Section 1 (62Q.19, subdivision 2)** extends an essential community provider designation application for two applicants: one providing mental health services to school-age children and to immigrant communities; and one to a mental health services center providing behavioral health services to an underserved population with chemical dependency and mental illness.

**Section 2 (145.925, subdivision 10)** adds to the definition of “governmental unit” a nonprofit community health clinic providing family planning services. The result of this addition would permit these clinics to participate in the Minnesota Multistate Contracting Alliance for Pharmacy (MMCAP).

**Section 3 (152.126)** establishes a controlled substances reporting system that would require dispensers of controlled substances to electronically report specified information to the Board of Pharmacy.



**Subdivision 1** defines the following terms: “advisory committee,” “board,” “controlled substances,” “dispense,” “dispenser,” “prescriber,” and “prescription.”

**Subdivision 2** requires the Board of Pharmacy to establish by January 1, 2008, an electronic system for reporting prescribing information for all controlled substances dispensed within the state. Authorizes the Board to contract with a vendor for the purpose of obtaining technical assistance. Limits vendor’s role to providing technical support.

**Subdivision 3** authorizes the Board to convene an advisory committee of seven members appointed by the Board. Describes the members of the committee and the committee’s duties, if convened by the Board.

**Subdivision 4** requires each dispenser to submit the following data to the Board or the Board’s designated vendor:

- (1) name of the prescriber;
- (2) national provider identifier of the prescriber;
- (3) name of the dispenser;
- (4) national provider identifier of the dispenser;
- (5) name of the patient for whom the prescription was written;
- (6) date of birth of the patient for whom the prescription was written;
- (7) date the prescription was written;
- (8) date the prescription was filled;
- (9) name and strength of the controlled substance;
- (10) quantity of controlled substance prescribed; and
- (11) quantity of controlled substance dispensed.

The dispenser is required to submit this data by a procedure and in the format established by the Board. A dispenser is not required to submit this data for individuals residing in a skilled nursing facility or a intermediated care facility.

**Subdivision 5** requires the Board to develop and maintain a database of the reported data and use the data for the identification of:

(1) individuals receiving prescriptions for controlled substances from prescribers who subsequently obtain controlled substances from dispensers in quantities or with a frequency inconsistent with generally recognized standards of dosage for those controlled substances; and

(2) individuals presenting forged or otherwise false or altered prescriptions for controlled substances to dispensers.

**Subdivision 6, paragraph (a)**, except as indicated in this subdivision, classifies the data submitted to the Board as private data on individuals, as defined in Minnesota Statutes, section 13.02, subdivision 12.

**Paragraph (b)** permits the Board to provide the data submitted for public research and policy or education purposes so long as any information that is likely to identify the patient or other person who is subject to the data has been removed.

**Paragraph (c)** authorizes the following persons to access to the data in the same or similar manner and for the same or similar purposes as those persons authorized to access similar private data on individuals under state and federal law:

(1) a prescriber to the extent the information relates to a current patient;

(2) a dispenser to the extent the information relates to a current patient;

(3) an individual who is the recipient of a controlled substance prescription for which data was submitted;

(4) personnel of the Board assigned to conduct investigations related to controlled substances laws;

(5) personnel of the Board engaged in the collection of controlled substance prescription information;

(6) authorizes personnel of a vendor under contract, provided that access is limited to the minimum amount necessary to test and maintain databases;

(7) a designated representative of a health-related licensing Board as it relates to an investigation of a specific licensee;

(8) law enforcement officials engaged in a bona fide investigation of a specific licensee; and

(9) personnel of the medical assistance program assigned to use the data collected to identify recipients whose usage of controlled substances may warrant restriction to a single primary care physician, a single outpatient pharmacy, or a single hospital.

**Paragraph (d)** requires any of the permissible users identified in paragraph (c) that directly access the data electronically to implement and maintain a comprehensive information security program that contains safeguards that are appropriate to the user's size and complexity and sensitivity of the information obtained.

**Paragraph (e)** states that the Board may not release the data submitted unless it is provided with evidence that the person requesting the information is entitled to receive the data. Law enforcement authorities must have a valid search warrant.

**Paragraph (f)** requires the board to maintain a log of all persons who access the data and to ensure that all permissible users comply with paragraph (d).

**Subdivision 7** states that a dispenser who knowingly fails to submit data to the Board as required or who has access to the data and knowingly discloses the data in violation of state or federal law is subject to disciplinary action by the appropriate health-related licensing board.

**Subdivision 8** requires the Board to evaluate the prescription electronic reporting program to determine if the program is cost effective and submit the evaluation to the Legislature by January 15, 2009. The Board may contract with a vendor to design and conduct the evaluation.

**Effective date:** The effective date of this section is dependent on receiving sufficient nonstate funds to implement the program.

**Section 4** requires the Board of Pharmacy to apply for any applicable federal grants or other nonstate funds to establish and fully implement the program.

## **Article 24**

### **Children and Families Programs and Services**

**Sections 1 and 3 (119B.011, subdivision 23; 119B.05, subdivision 1)** amend child care statutes, inserting the definition of the new program, Work Participation Rate Enhancement Program, and making families who are participating in this program eligible for child care assistance.

**Section 2** expands child care assistance to include a fourth priority for families in which at least one parent is a veteran.

**Section 4 (119B.13, subdivision 1)** modifies child care assistance rates paid to providers. This section requires that, beginning July 1, 2006, the maximum rate paid for child care assistance be the lesser of the 75th percentile rate for like child care arrangements, or the 100<sup>th</sup> percentile as surveyed by the commissioner in counties in which the maximum rate for child care centers is established based on the 100<sup>th</sup> percentile. This section also requires the commissioner to determine the maximum rate for school age care on a half-day basis.

**Section 5 (119B.13, subdivision 3a)** allows a child care provider or child care center to be paid a 15 percent differential above the maximum rate, up to the actual provider rate, if the provider or center

holds a current early childhood development credential or is accredited. This section defines credential and accreditation for both family child care providers and child care centers.

**Section 6 (245C.24, subdivision 2)** modifies the Department of Human Services Licensing Act by creating an exception to the permanent bar to set aside a disqualification.

**Section 7 (256.029)** creates a benefit funded by TANF funds. The benefit is a domestic violence brochure provided to general assistance, general assistance medical care, MFIP, and MinnesotaCare applicants.

**Section 8 (256D.0515)** requires all food stamp households to be determined eligible for the benefit under section 1. Food stamp households must demonstrate that their gross income meets the requirements under the federal Food Stamp law, and that they have financial resources, excluding vehicles, of less than \$7000.

This section is effective upon federal approval.

**Section 9 (256J.01, subdivision 6)** prohibits the commissioner of human services from moving programs or activities funded with MFIP or TANF maintenance of effort funds to other funding sources unless specifically approved by law.

**Section 10 (256J.021)** funds two-parent and WORK PREP cases with expenditures that do not count toward the state's maintenance of effort requirements under TANF.

**Section 11 (256J.08, subdivision 65)** expands the MFIP definition of "participant" to include a person who receives cash payments under the work participation rate enhancement program.

**Section 12 (256J.37, subdivision 3a)** suspends from July 1, 2006, to June 30, 2007, the \$50 MFIP housing penalty.

**Section 13 (256J.521, subdivision 1)** amends the assessment of the MFIP participant by requiring the job counselor to determine if the participant should be referred to the new program established under section 6.

**Section 14 (256J.521, subdivision 2)** modifies MFIP employment plans, to encourage job counselors to allow participants who are participating in at least 20 hours of work activities to also participate in employment and training activities in order to meet the federal hourly participation rates.

**Section 15 (256J.53, subdivision 2)** strikes language requiring a participant to work in unsubsidized employment at least 20 hours per week in order for a post secondary education or training program to be approved.

**Section 16 (256J.53, subdivision 2a)** adds language allowing a participant to work for the first 12 months of education, and requiring a participant to work at least 20 hours per week in unsubsidized employment for the subsequent 12 months of education.

**Section 17 (267J.575)** establishes the work participation rate enhancement program (WORK PREP).

**Subdivision 1** states the purpose of the program, which is to serve families who are not making significant progress within MFIP due to barriers to employment. The program's goal is to stabilize and improve the lives of families at risk of long-term welfare dependency.

**Subdivision 2** defines the program terms, which are "work participation rate enhancement program," "case management," "family stabilization plan," and "family stabilization services."

**Subdivision 3** specifies the eligibility criteria for the program. Eligible participants include:

(1) participants who are age 60 or older, have been diagnosed as suffering from an illness or incapacity that is expected to last 30 days or more, or participants who are needed in the home to care for an ill or incapacitated family member, provided the individual is eligible for or has an employment plan that is adjusted due to personal and family circumstances under the MFIP assessment statute;

(2) participants who are unlikely to benefit from DWP, which includes individuals who are unable to obtain or retain employment due to illness, injury, or incapacity, individuals who are required in the home as a caregiver, individuals who are pregnant and unable to work, and individuals who have applied for SSI or SSDI.

(3) participants who meets the requirements for or have been granted a hardship extension under either the ill or incapacitated or hard-to-employ category; or

(4) a person applying for SSI or SSDI.

Families must meet all other MFIP eligibility requirements, and they are eligible for the same financial assistance as MFIP participants.

**Subdivision 4** requires all participants to participate in the family stabilization services.

**Subdivision 5** requires the county to provide family stabilization services through a case management model. This section specifies what must be included in the family stabilization plan, when the case manager and the family must meet to develop the plan, and under what circumstances the case manager may modify the plan.

**Subdivision 6** requires compliance with the plan, and specifies the number of hours the family must be participating in activities. When the participant's participation in work activities meets the federal participation requirements, the participant is referred to the MFIP program and assigned a job counselor.

**Subdivision 7** specifies the sanction policy for participants in this program.

**Section 18 (256J.621)** establishes the work participation bonus, which provides \$50 per month to a participant who is employed and working at least 24 hours per week when the participant's case is closed. The participant will receive the bonus in any month that the participant is employed an average of 24 hours per week, for a maximum of 12 months.

**Sections 19 to 22 (256J.626, subdivision 1; 256J.626, subdivision 2; 256J.626, subdivision 3; 256J.626, subdivision 4)** incorporate expenditures for the work participation rate enhancement program into the MFIP consolidated fund.

**Section 23 (256J.626, subdivision 5)** modifies the MFIP innovation projects, by allowing the funding to be used for providing incentives to counties and tribes that meet or exceed certain performance outcomes.

**Section 24 (256J.626, subdivision 6)** amends the definition section of the base allocation to counties and tribes section of law by striking references to a subdivision that is repealed related to performance based funds.

**Section 25 (256K.60)** establishes the Runaway and Homeless Youth Act.

**Subdivision 1** defines the following terms; commissioner, homeless youth, youth at risk of homelessness, and runaway.

**Subdivision 2** requires the development of a homeless and runaway youth report that will coordinate the services under subdivisions 3 to 5.

**Subdivision 3** establishes a street and community outreach and drop-in program. This program must locate, contact, and provide information, referrals, and services to homeless youth, youth at risk of homelessness, and runaways. This subdivision also lists the information, referrals, and services that may be provided by the program.

**Subdivision 4** establishes an emergency shelter program. These programs must provide homeless youth and runaways with referral and walk-in access to emergency, short term residential care, and safe, dignified shelter, including private shower facilities, beds, and at least one meal each day. The program must also assist runaways with reunification with their family or legal guardian when required or appropriate. This subdivision lists the services that the emergency shelter may include.

**Subdivision 5** establishes transitional living programs. This program must help homeless youth and youth at risk of homelessness to find and maintain safe, dignified housing. The program may provide rental assistance and related supportive services, or refer youth to other organizations or agencies that provide such services. The program may also be available for up to 24 consecutive months. This subdivision lists the services the transitional living program may include.

**Section 26 (259.86) paragraph (a)** requires the commissioner of human services to develop a specialized curriculum to train department, county agency, and social service agency staff in performing and complying with the postadoption search services developed in the best practices guidelines reported to the legislature in 2006.

**Paragraphs (b) and (c)** require all staff listed in paragraph (a) to complete postadoption search services training.

**Paragraph (d)** requires the social service agencies to provide the information listed in this paragraph to the commissioner of human services.

**Section 27 (259.87)** authorizes the commissioner of human services to make rules as necessary to administer the requirements in Minnesota Statutes, section 259.86.

**Section 28 (518.551, subdivision 7)** amends the child support statutes by imposing a \$25 annual fee for individuals who have never received assistance under Title IV-A, and for whom the public authority has collected at least \$500 of support. This section is necessary to comply with federal law.

**Section 29 (Laws 2005, 1st Special Session chapter 4, article 7, section 59)** expands the report on the redesign of case management services to include labor organizations representing county social service workers.

**Section 30** requires the commissioner of human services to report on the impact of reduced medicaid reimbursements by December 1, 2006.

**Section 31** requires the commissioner to provide guidance to counties as necessary to comply with the TANF regulations issued pursuant to DEFRA.

**Section 32** provides a new parent fee schedule for co-payments paid by parents who are using the child care assistance program.

**Section 33, paragraph (a)** repeals an outdated report, a subdivision related to the child care absent day policy, and MFIP performance bonus language. **Paragraph (b)** repeals the current parent fee schedule.

## **Article 25**

### **Mental Health and Chemical Health**

**Sections 1 (245.465) and 4 (245.4874) [Duties of the County Board]** modify the duties of the county board in the adult and children's mental health acts, respectively, to clarify that the county board is not responsible for providing mental health services to individuals who have the services covered under their health care coverage.

**Section 2 (245.4682) [Mental Health Service Delivery and Finance Reform]** establishes the mental health service delivery and finance reform.

**Subdivision 1** sets out the policy of the mental health reform, which provides that the commissioner must undertake a series of reforms to improve the underlying structural, financing, and organizational problems in the state's mental health system, with the goal of improving the availability, quality, and accountability of mental health care in the state.

**Subdivision 2** provides the design and implementation of the reforms. The commissioner is required to:

- (1) consult with consumers, families, counties, tribes, advocates, providers, and other stakeholders;
- (2) report to the legislature and the state Mental Health Advisory Council by January 15, 2007, with any recommendations for legislative changes;
- (3) ensure continuity of care for persons affected by the reforms;
- (4) provide accountability for the efficient and effective use of public and private resources in achieving positive outcomes for consumers;
- (5) ensure client access to applicable protections and appeals; and
- (6) make budget transfers that do not increase the state or county costs to effectively implement improvements to the mental health system and efficiently allocate state funds.

**Subdivision 3, paragraph (a)**, authorizes the commissioner to solicit, approve, and implement regional projects to demonstrate the integration of physical and mental health services within prepaid health plans and their coordination with social services. The commissioner, in consultation with consumers, families, and their representatives shall:

- (1) determine criteria for approving the regional projects;
- (2) require that each project be based on locally defined partnerships;
- (3) allows potential bidders at least 90 days to respond to the request for proposals;
- (4) waive any administrative rule not consistent with the implementation of the regional projects; and
- (5) begin implementation of the regional projects no earlier than January 1, 2008, with not more than 20 percent of the population described in paragraph (b) included during 2008, and additional individuals included in subsequent years.

**Paragraph (b)** requires the commissioner to enroll all medical assistance eligible persons with serious and persistent mental illness or severe emotional disturbance in the prepaid plan of their choice, unless; (1) an individual has another basis for exclusion from the prepaid plan; (2) an individual has a previously established a therapeutic relationship with a provider who



is not included in the available prepaid plans; or (3) the service the individual wishes to use is not included in the available prepaid plans.

**Paragraph (c)** allows the commissioner to assign a plan if a person with serious and persistent mental illness or severe emotional disturbance declines to choose a plan.

**Paragraph (d)** requires the commissioner, in consultation with consumers, families, and their representatives, to evaluate the regional projects and refine the design of the regional service integration projects before expanding beyond the 20 percent of the statewide population and expanding the number of regions engaged in the programs as additional applications are received.

**Paragraph (e)** requires the commissioner to apply for federal waivers necessary to implement this section.

**Section 3 (245.4835) [County Maintenance of Effort]** requires the counties to maintain a level of expenditures for mental health services, so that each year's county expenditures are at least equal to that county's average expenditures from 2004 and 2005. The commissioner will annually adjust the county's base level. If a county fails to maintain expenditures, the county must develop a corrective action plan. If the county fails to develop an acceptable action plan, or does not comply with the action plan, the county loses protections under Minnesota Statutes, section 245.4895, which would expose the county to possible claims against the county by recipients of services or service providers.

**Section 5 (245.4889) [Children's Mental Health Grants]** establishes children's mental health grants.

**Subdivision 1** authorizes the commissioner to make grants to assist counties, Indian tribes, children's collaboratives, or mental health service providers in providing services to children with emotional disturbances and their families, and to young adults who are younger than 21 years of age who are receiving transition services. The services must be designed to help the child function and remain with the child's family, and must be delivered consistent with the child's treatment plan. Transition services must be designed to foster independent living in the community.

**Subdivision 2** provides the grant application process and the reporting requirements. The applicant must submit an application and budget, and the commissioner must give priority to applications that indicate plans to collaborate in the development, funding, and delivery of services with other agencies in the local system of care.

**Section 6 , 7, and 8 (245.50, subdivision 1; 245.50, subdivision 2; 245.50, subdivision 5)** allows a county board or Commissioner of Human Services to contract with an agency or facility in a bordering state for chemical health services.

**Section 9 (245.94, subdivision 1)** clarifies that the ombudsman for mental health is a health oversight agency as defined by federal law, and makes other data practices changes.

**Section 10 (245.97, subdivision 6)** is technical; corrects a cross-reference.

**Section 11 (246.54, subdivision 1)** modifies the public institutions chapter of law, specifically the statute relating to the counties financial responsibility for the cost of care. Current law requires the county to pay for 20 percent of the cost of care. The bill modifies the payment provisions by requiring the county to pay for 20 percent of the cost of care for the first 60 days, and 50 percent of the cost of care for 61 or more days, unless (1) the individual has been admitted for assessment and treatment under a court order; or (2) there has been medical certification from the head of the center or facility that the client is in need of treatment at a hospital level of care. This section is effective January 1, 2007.

**Section 12 (246.54, subdivision 3)** provides that in state-operated community behavioral health hospitals, for services at the behavioral health hospitals, payments to the state from the county equal 50 percent of the cost of care. The county is not entitled to reimbursement from the client, the client's estate, or from the client's relatives, except under the existing statute related to claims against the estate of a deceased client under section 246.53. After the first 60 days, the county share of payment shall not apply if (1) the individual has been admitted for assessment and treatment under a court order; or (2) there has been medical certification from the head of the hospital that the client is in need of treatment at a hospital level of care.

**Section 13 (253B.02, subdivision 2)** expands the definition of chemically dependent person to include a pregnant woman who habitually uses opium.

**Section 14 (254A.20)** resulted from the 2006 Office of the Legislative Auditors Report on Substance Abuse Treatment by amending the treatment for alcohol and drug abuse chapter of law.

**Subdivision 1** clarifies chemical use assessments for a person who is arrested. For a person who is taken into custody outside the person's county of residence, the assessment must be completed by the person's county of residence no later than three weeks after the assessment is initially requested. If the assessment is not performed, the county where the person is to be sentenced must perform the assessment, and the county of financial responsibility must be determined under Minnesota Statutes, chapter 256G.

**Subdivision 2** requires that the person's probation officer be contacted to verify or supplement information provided by the person.

**Subdivision 3** prohibits the assessor from having any direct or shared financial interest or referral relationship resulting in financial gain with a treatment provider, except when a county contracts with an assessor and meets the documentation requirements under paragraph (b).

**Section 15 (254A.25)** requires the commissioner to perform the list of duties under this section of law, related to chemical health, which include developing a directory that identifies key characteristics of each licensed chemical dependency treatment program, and posting copies of state licensing reviews at an online location where they may be reviewed by agencies that make client placements.

**Section 16 (256B.0625, subdivision 20)** amends Medical Assistance covered services, specifically mental health case management, by striking language related to the calculation of mental health grants, payment for mental health finances, and obsolete language. New language specifies that 50 percent of the cost of mental health case management services that are paid by the state without a federal share through fee-for-service is the responsibility of the recipient's county of responsibility. Also, language is added stating that prepaid medical assistance, general assistance medical care, and MinnesotaCare include mental health case management. When the service is provided through prepaid capitation, the non federal share is paid by the state and there is no county share.

**Section 17 (256B.0625, subdivision 28)** expands certified nurse practitioner services under medical assistance to include a clinical nurse specialists in mental health or a certified psychiatric nurse practitioner.

**Sections 18 to 20 amend residential services for children with severe emotional disturbances.**

**Section 18 (256B.0945, subdivision 1)** strikes obsolete language.

**Section 19 (256B.0945, subdivision 4)** modifies the payment rates by providing that per diem rates paid to providers under this section by prepaid plans shall be the proportion of the per day contract rate that relates to rehabilitative mental health services, and must not include payments for costs or services that are billed in the IV-E program as room and board. Paragraph (c) allows the commissioner to set aside five percent of federal funds earned for county expenditures for administration.

**Section 20 (256B.0946, subdivision 1)** expands services covered under medical assistance to include crisis assistance.

**Sections 21 and 22 (256B.69, subdivisions 5g and 5h)** modify the PMAP statutes by excluding from the payment reduction provisions mental health services added as covered benefits after December 31, 2006.

**Section 23 (256B.763) [Critical Access Mental Health Rate Increase]** establishes the critical access mental health rate increase. The services rendered on or after July 1, 2007, specified in paragraph (b), must be increased by 23.7 percent over the rates in effect on January 1, 2006, for:

- (1) psychiatrists or advanced registered nurses with a psychiatric specialty;
- (2) community mental health centers; and
- (3) certain mental health clinics and centers, or hospital outpatient psychiatric departments designated as essential community providers.

**Paragraph (b)** states that the increase under paragraph (a) applies to group skills training when provided as a component of children's therapeutic services and support, psychotherapy, medication management, evaluation and management, diagnostic assessment, explanation of findings, and psychological testing, neuropsychological services, direction of behavior aides, and inpatient consultation.

**Paragraph (c)** specifies that the rate increase does not apply to “other clinic services” under section 256B.0625, subdivision 30, certain outpatient mental health services under section 256B.761, paragraph (b), other cost-based rates, rates that are negotiated with the county, rates that are established by the federal government, or rates that increased between January 1, 2004, and January 1, 2005.

**Paragraph (d)** requires the commissioner to adjust rates paid to prepaid health plans under contract with the commissioner to reflect the rate increases in paragraph (a), and the prepaid health plan must pass the increase to the providers identified in paragraph (a).

**Section 24 (256D.03, subdivision 4)** modifies general assistance medical care covered services to strike outpatient services provided by a mental health center or clinic, and add mental health services covered under chapter 256B. This section also strikes the following covered services; day treatment services for mental illness provided under contract with the county board, psychological services, and mental health telemedicine and psychiatric consultation. Further, new language provides that payments for mental health services added as covered benefits after December 31, 2006, are not subject to the reductions in other paragraphs of this section of law.

**Sections 25 to 27 amend MinnesotaCare statutes.**

**Section 25 (256L.03, subdivision 1)** modifies MinnesotaCare covered services by striking language related to mental health services.

**Section 26 (256L.035)** expands MinnesotaCare covered services for single adults and households without children to include mental health services under chapter 256B.

**Section 27 (256L.12, subdivision 9a)** excludes payments for mental health services added as a covered benefit after December 31, 2006, from the ratable reduction.

**Section 28** establishes a mental health pilot project for individuals who have lived unsheltered for at least one year.

**Subdivision 1** requires the commissioner of human services to establish two pilot projects, one in Ramsey County and one in Hennepin County, which must:

- (1) operate two ten bed facilities;
- (2) provide community support to individuals who have been homeless for at least one year;
- (3) provide 24-hour supervision; and
- (4) provide on-site mental health services, which focus on the mental health needs of individuals who have lived unsheltered.

**Subdivision 2** requires the county to negotiate a group residential rate for the pilot programs.

**Subdivision 3** provides that an individual who has lived at one of the pilot program facilities, who is being transitioned to independent living as part of the program plan, continues to be eligible for the group residential housing rate under subdivision 2.

**Subdivision 4** makes the section effective July 1, 2006 through June 30, 2008.

**Section 29** requires the commissioner to report to the legislature by January 15, 2007, on recommendations which analyze the merits of changing statutory maintenance of effort provisions in the chemical dependency treatment fund.

**Section 30** requires the commissioner to present a plan to the legislature by January 15, 2007, for improving the availability of community-based substance abuse treatment, and also several other issues related to improving chemical health.

**Section 31** is a technical revisor's instruction.

**Section 32** repeals Minnesota Statutes 2004, section 245.465, subdivision 2 (Residential and community support programs: 1992 salary increase), section 256B.0945, subdivisions 5 (Quality measures), 6 (Federal earnings), 7 (Maintenance of effort), 8 (Reports), and 9 (Sanctions), and section 256B.83 (Maintenance of effort for certain mental health services).

## **Article 26 Appropriations**

**Sections 1 to 5** appropriate money to the Department of Human Services, the Minnesota Department of Health, and a variety of boards.

**Section 6** transfers to the general fund the estimated balance of \$2.9 million in the tobacco use prevention and local public health endowment fund and the medical education endowment fund.

**Sections 7 to 11** codify longstanding riders from previous appropriations bills.

**Section 12** sunsets the uncodified language in this article on June 30, 2007, unless a different date is specified.

**Section 13** repeals language stating that the law establishing the medical education endowment fund is in effect only if money is available in the endowment fund.



**SENATE  
STATE OF MINNESOTA  
EIGHTY-FOURTH LEGISLATURE**

**S.F. No. 3781**

**(SENATE AUTHORS: COHEN)**

<b>DATE</b>	<b>D-PG</b>	<b>OFFICIAL STATUS</b>
04/19/2006	4947	Introduction and first reading
04/19/2006		Under Senate rules, laid over one day
04/20/2006		Second reading

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**A bill for an act**

relating to the financing of state government; making supplemental appropriations for education, environment and agriculture, economic development, transportation, public safety, state government, and health and human services; modifying certain statutory provisions and laws; providing for certain programs; establishing task forces, commissions, and an office in state government; fixing and limiting fees; authorizing rulemaking; requiring reports; providing for penalties; appropriating money; amending Minnesota Statutes 2004, sections 13.6905, by adding a subdivision; 16B.325; 43A.08, subdivision 1a; 47.58, subdivision 8; 62A.045; 62Q.19, subdivision 2; 62S.05, by adding a subdivision; 62S.08, subdivision 3; 62S.081, subdivision 4; 62S.10, subdivision 2; 62S.13, by adding a subdivision; 62S.14, subdivision 2; 62S.15; 62S.20, subdivision 1; 62S.24, subdivisions 1, 3, 4, by adding subdivisions; 62S.25, subdivision 6, by adding a subdivision; 62S.26; 62S.266, subdivision 2; 62S.29, subdivision 1; 62S.30; 80C.01, subdivision 4; 84.0835, subdivision 3; 85.053, by adding a subdivision; 85.054, by adding a subdivision; 85.32, subdivision 1; 97A.028, subdivision 3; 97A.045, subdivision 11; 115.03, by adding a subdivision; 115B.48, subdivision 3; 115E.01, subdivisions 5, 6, 7, 13, by adding subdivisions; 115E.04, subdivision 2, by adding subdivisions; 115E.05, subdivisions 1, 2; 115E.08, subdivision 3; 116J.421, subdivision 3; 116J.543; 116L.04, subdivisions 1, 1a; 116L.12, subdivision 4; 119A.50, subdivision 1; 119A.52; 119A.53; 119A.545; 119B.011, by adding a subdivision; 119B.03, subdivision 4; 119B.05, subdivision 1; 119B.13, by adding a subdivision; 120A.20, subdivision 1; 120A.22, subdivision 3; 120B.021, subdivision 1; 120B.023; 120B.024; 121A.035; 121A.15, subdivision 10; 121A.17, subdivision 3; 122A.09, subdivision 4; 122A.18, subdivision 2; 122A.31, subdivision 1, by adding a subdivision; 123A.06, subdivision 2; 123A.44; 123A.441; 123A.442; 123A.443; 123B.10, subdivision 1; 123B.57, subdivision 6; 123B.77, subdivision 3, by adding a subdivision; 123B.90, subdivision 2; 123B.91, by adding a subdivision; 124D.02, subdivisions 2, 4; 124D.095, subdivision 3; 124D.096; 124D.10, subdivision 16; 124D.11, subdivision 9; 124D.13, subdivisions 2, 3; 124D.518, subdivision 4; 124D.52, subdivision 1; 124D.61; 124D.68, subdivision 3; 125A.02, subdivision 1; 125A.27, subdivisions 3, 7, 8, 11, 15, 18; 125A.29; 125A.30; 125A.32; 125A.33; 125A.48; 125A.515, subdivisions 1, 3, 5, 6, 7, 9, 10; 125A.62, subdivision 1; 125A.63, subdivision 4; 125A.65, subdivisions 3, 4, 6, 8, 10; 125A.69, subdivision 3; 125A.75, subdivision 1, by adding a subdivision; 126C.05, subdivision 1; 126C.10, subdivision 6, by adding subdivisions; 126C.44; 127A.41, subdivision 2; 135A.031, subdivision

2.1 7, by adding subdivisions; 135A.053, subdivision 2; 136A.101, subdivisions 4,  
 2.2 8; 136A.15, subdivisions 6, 9, by adding a subdivision; 136A.16, by adding a  
 2.3 subdivision; 136A.162; 136A.1701, subdivisions 4, 7, by adding a subdivision;  
 2.4 136A.233, subdivision 3; 136F.02, subdivision 1; 136F.42, subdivision 1;  
 2.5 136F.71, subdivision 2, by adding a subdivision; 137.17, subdivisions 1, 3;  
 2.6 144.552; 144.6501, subdivision 6; 144.9501, subdivisions 1, 2, by adding  
 2.7 a subdivision; 144.9503, subdivision 3; 144.9507, by adding a subdivision;  
 2.8 144A.071, subdivision 4c; 144A.4605; 144D.01, by adding a subdivision;  
 2.9 144D.015; 144D.02; 144D.03, subdivision 2; 144D.04; 144D.05; 144D.065;  
 2.10 145.925, by adding a subdivision; 169.01, subdivision 6; 169.447, subdivision  
 2.11 2; 169.4501, subdivisions 1, 2; 169.4502, subdivision 5; 169.4503, subdivision  
 2.12 20; 171.321, subdivisions 4, 5; 178.03, by adding a subdivision; 181.101;  
 2.13 183.02, by adding a subdivision; 216C.41, subdivision 4; 245.465, by adding  
 2.14 a subdivision; 245.50, subdivisions 1, 2, 5; 245.771, by adding a subdivision;  
 2.15 245.94, subdivision 1; 245.97, subdivision 6; 245A.023; 245A.14, by adding  
 2.16 a subdivision; 246.54, subdivision 1, by adding a subdivision; 253B.02,  
 2.17 subdivision 2; 256.01, by adding subdivisions; 256.014, by adding subdivisions;  
 2.18 256.975, subdivision 7; 256B.02, subdivision 9; 256B.056, subdivision 2, by  
 2.19 adding subdivisions; 256B.0595, subdivisions 1, 3, 4; 256B.0625, subdivisions  
 2.20 20, 28, by adding subdivisions; 256B.0911, subdivision 3a; 256B.0913, by  
 2.21 adding a subdivision; 256B.0945, subdivisions 1, 4; 256B.15, by adding a  
 2.22 subdivision; 256B.437, subdivision 3; 256B.69, subdivisions 5g, 5h, 9, by adding  
 2.23 a subdivision; 256B.76; 256J.01, by adding a subdivision; 256J.021; 256J.08,  
 2.24 subdivision 65; 256J.37, subdivision 3a; 256J.521, subdivisions 1, 2; 256J.53,  
 2.25 subdivision 2, by adding a subdivision; 256J.626, subdivisions 1, 2, 3, 4, 5;  
 2.26 256L.03, subdivision 3; 256L.04, subdivisions 7, 10, by adding a subdivision;  
 2.27 256L.07, subdivision 2; 256L.11, subdivision 1, by adding subdivisions;  
 2.28 256L.12, subdivision 9a; 256L.15, subdivision 1; 259.87; 298.22, subdivisions 1,  
 2.29 8, by adding a subdivision; 298.2213, subdivision 4; 298.223, subdivisions 2, 3;  
 2.30 299F.30; 326.105; 446A.03, subdivision 5; 446A.12, subdivision 1; 462A.05,  
 2.31 by adding a subdivision; 473.252, subdivision 3; 488A.03, subdivisions 6, 11;  
 2.32 518.551, subdivision 7; 518.5852; 626.556, subdivisions 3b, 3c; Minnesota  
 2.33 Statutes 2005 Supplement, sections 35.05; 85.053, subdivision 2; 85.055,  
 2.34 subdivision 1; 115C.09, subdivision 3j; 116J.551, subdivision 1; 119B.13,  
 2.35 subdivision 1; 120B.021, subdivision 1a; 120B.11, subdivision 2; 120B.131,  
 2.36 subdivision 2; 121A.19; 122A.414, subdivisions 2b, 3; 122A.415, subdivisions  
 2.37 1, 3; 123B.04, subdivision 2; 123B.76, subdivision 3; 123B.92, subdivisions 1,  
 2.38 5; 124D.095, subdivision 4; 124D.111, subdivision 1; 124D.135, subdivision  
 2.39 1; 124D.175; 124D.531, subdivision 1; 124D.68, subdivision 2; 125A.11,  
 2.40 subdivision 1; 125A.28; 125A.79, subdivision 1; 126C.10, subdivisions 24, 31,  
 2.41 34; 126C.43, subdivision 2; 127A.45, subdivision 10; 135A.52, subdivisions 1,  
 2.42 2; 136A.121, subdivision 7a; 136A.1701, subdivision 12; 144.551, subdivision  
 2.43 1; 201.061, subdivision 3; 216C.052, subdivisions 3, 4; 216C.41, subdivision  
 2.44 3; 245.4874; 245C.24, subdivision 2; 256B.0571; 256B.0595, subdivision 2;  
 2.45 256B.06, subdivision 4; 256B.0625, subdivision 1a; 256B.075, subdivision  
 2.46 2; 256B.0911, subdivision 1a; 256B.0918, subdivisions 1, 3, 4; 256B.0946,  
 2.47 subdivision 1; 256B.434, subdivision 4; 256B.69, subdivision 23; 256D.03,  
 2.48 subdivisions 3, 4; 256J.626, subdivision 6; 256L.01, subdivision 4; 256L.03,  
 2.49 subdivisions 1, 5; 256L.035; 256L.04, subdivision 1a; 256L.07, subdivisions 1,  
 2.50 3; 256L.15, subdivision 2; 298.296, subdivision 1; 298.298; 299A.78; 327.201;  
 2.51 626.556, subdivisions 2, 3; Laws 1998, chapter 404, section 15, subdivision 2,  
 2.52 as amended; Laws 2005, chapter 136, article 1, sections 10; 13, subdivision 3;  
 2.53 Laws 2005, chapter 156, article 1, section 11, subdivision 5; Laws 2005, First  
 2.54 Special Session chapter 1, article 2, sections 3, subdivision 2; 11, subdivision  
 2.55 10; article 3, section 2, subdivision 4; Laws 2005, First Special Session chapter  
 2.56 4, article 7, section 59; article 9, sections 3, subdivision 2; 5, subdivision  
 2.57 8; Laws 2005, First Special Session chapter 5, article 1, sections 47; 54,  
 2.58 subdivisions 2, 3, 5, 6, 7, 8; article 2, section 84, subdivisions 2, 3, 4, 6, 7,

3.1 10, 13; article 3, section 18, subdivisions 2, 3, 4, 5, 6, 7; article 4, section 25,  
 3.2 subdivisions 2, 3, 4, 6; article 5, section 17, subdivisions 2, 3; article 6, section  
 3.3 1, subdivisions 2, 3, 5; article 7, section 20, subdivisions 2, 3, 4, 5; article 8,  
 3.4 section 8, subdivisions 2, 3, 5; article 9, section 4, subdivision 2; article 10,  
 3.5 section 5, subdivision 2; proposing coding for new law in Minnesota Statutes,  
 3.6 chapters 3; 4; 16E; 43A; 62S; 80C; 85; 115E; 116J; 119A; 121A; 122A; 124D;  
 3.7 135A; 136A; 144; 144A; 144D; 152; 245; 254A; 256; 256B; 256D; 256J;  
 3.8 256K; 256L; 259; 299A; 299F; 325E; 341; proposing coding for new law as  
 3.9 Minnesota Statutes, chapter 144G; repealing Minnesota Statutes 2004, sections  
 3.10 17.10; 62J.694, subdivision 5; 119A.46, subdivisions 4, 5, 6, 7, 9, 10; 119A.51;  
 3.11 120A.20, subdivision 3; 121A.23; 123B.749; 125A.10; 125A.515, subdivision  
 3.12 2; 135A.031, subdivision 5; 135A.033; 136A.15, subdivision 5; 136A.1702;  
 3.13 137.17, subdivisions 2, 4; 169.4502, subdivision 15; 169.4503, subdivisions 17,  
 3.14 18, 26; 245.465, subdivision 2; 256B.0945, subdivisions 5, 6, 7, 8, 9; 256B.83;  
 3.15 256J.626, subdivision 9; 488A.03, subdivision 11b; Minnesota Statutes 2005  
 3.16 Supplement, sections 119A.46, subdivisions 1, 2, 3, 8; 119B.13, subdivision  
 3.17 7; 135A.031, subdivisions 3, 4; 256B.0571, subdivisions 2, 5, 11; 256J.626,  
 3.18 subdivision 7; 256L.035; Laws 2003, First Special Session chapter 14, article  
 3.19 9, section 36; Minnesota Rules, parts 4668.0215; 4850.0011, subparts 10, 14,  
 3.20 27, 9; 4850.0014, subpart 1.

3.21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

3.22 **ARTICLE 1**

3.23 **SUMMARY**

3.24 Section 1. **APPROPRIATIONS SUMMARY.**

3.25 (General Fund Only, Excluding Forecast Adjustments)

3.26	<u>APPROPRIATIONS</u>	<u>2006</u>	<u>2007</u>	<u>TOTAL</u>
3.27	<u>Early Childhood Education</u> \$	<u>124,000</u> \$	<u>23,294,000</u> \$	<u>23,418,000</u>
3.28	<u>K-12 Education</u>	<u>463,000</u>	<u>34,437,000</u>	<u>34,900,000</u>
3.29	<u>Higher Education</u>		<u>4,700,000</u>	<u>4,700,000</u>
3.30	<u>Environment &amp; Agriculture</u>	<u>523,000</u>	<u>2,363,000</u>	<u>2,886,000</u>
3.31	<u>Clean Water Legacy</u>		<u>20,000,000</u>	<u>20,000,000</u>
3.32	<u>Economic Development</u>	<u>1,750,000</u>	<u>2,850,000</u>	<u>4,600,000</u>
3.33	<u>Transportation</u>		<u>4,320,000</u>	<u>4,320,000</u>
3.34	<u>Public Safety</u>	<u>3,562,000</u>	<u>6,650,000</u>	<u>10,212,000</u>
3.35	<u>State Government</u>	<u>4,250,000</u>	<u>5,057,000</u>	<u>9,307,000</u>
	<u>Health and Human Services</u>	<u>26,673,000</u>	<u>66,463,000</u>	<u>93,136,000</u>
3.37	<u>SUBTOTAL</u> \$	<u>37,345,000</u> \$	<u>170,134,000</u> \$	<u>207,479,000</u>



4.1	<u>TRANSFERS IN</u>		<u>2,933,000</u>		<u>900,000</u>		<u>3,833,000</u>
4.2	<u>TOTAL</u>	\$	<u>34,412,000</u>	\$	<u>169,234,000</u>	\$	<u>203,646,000</u>

ARTICLE 2

EARLY CHILDHOOD EDUCATION

Section 1. EARLY EDUCATION APPROPRIATIONS.

Subdivision 1. Summary

SUMMARY BY FUND

		<u>2006</u>		<u>2007</u>		<u>TOTAL</u>
4.9	<u>General</u>	\$	<u>124,000</u>	\$	<u>23,294,000</u>	\$ <u>23,418,000</u>
4.10	<u>TANF</u>		<u>-0-</u>		<u>1,475,000</u>	<u>1,475,000</u>
4.11	<u>TOTAL</u>	\$	<u>124,000</u>	\$	<u>24,769,000</u>	\$ <u>24,893,000</u>

Subd. 2. Department of Human Services;

basic sliding fee child care waiting list

(a) For child care assistance for eligible

families on the basic sliding fee waiting list

under Minnesota Statutes, section 119B.03,

subdivision 2, as of July 1, 2006.

Summary by Fund

4.19	<u>General Fund</u>		<u>-0-</u>		<u>2,672,000</u>
4.20	<u>TANF</u>		<u>-0-</u>		<u>1,475,000</u>
4.21	<u>TOTAL</u>		<u>-0-</u>		<u>4,147,000</u>

The TANF appropriation is a onetime

appropriation for fiscal year 2007 only. The

general fund base for the basic sliding fee

program is increased by \$4,147,000 in fiscal

years 2008 and 2009.

(b) For basic sliding fee child care assistance

grants in fiscal year 2007

-0-      9,603,000

5.1 The general fund base is increased by  
 5.2 \$13,348,000 in fiscal year 2008 and  
 5.3 \$13,607,000 in fiscal year 2009 for basic  
 5.4 sliding fee child care assistance grants.

5.5 (c) For the state share of systems cost to  
 5.6 implement the provider rate differential for  
 5.7 accreditation

-0-

3,000

5.8 (d) As determined by the commissioner,  
 5.9 counties may use up to six percent of either  
 5.10 calendar year 2008 or 2009 allocations under  
 5.11 Minnesota Statutes, section 119B.03, to  
 5.12 fund accelerated payments that may occur  
 5.13 during the preceding calendar year during  
 5.14 conversion to the automated child care  
 5.15 assistance program system. If conversion  
 5.16 occurs over two calendar years, counties  
 5.17 may use up to three percent of the combined  
 5.18 calendar year allocations to fund accelerated  
 5.19 payments. Funding advanced under this  
 5.20 subdivision shall be considered part of the  
 5.21 allocation from which it was originally  
 5.22 advanced for purposes of setting future  
 5.23 allocations under Minnesota Statutes, section  
 5.24 119B.03, subdivisions 6, 6a, 6b, and 8, and  
 5.25 shall include funding for administrative costs  
 5.26 under Minnesota Statutes, section 119B.15.  
 5.27 Notwithstanding the provisions of any  
 5.28 section to the contrary, this provision shall  
 5.29 sunset December 31, 2009.

5.30 Sec. 2. Minnesota Statutes 2004, section 119A.50, subdivision 1, is amended to read:

5.31 Subdivision 1. **Department of Education.** The Department of Education is the  
 5.32 state agency responsible for administering the Head Start program. The commissioner  
 5.33 of education ~~may make grants~~ shall allocate funds according to the formula in section

6.1 119A.52 to public or private nonprofit agencies for the purpose of providing supplemental  
6.2 funds for the federal Head Start program.

6.3 Sec. 3. Minnesota Statutes 2004, section 119A.52, is amended to read:

6.4 **119A.52 DISTRIBUTION OF APPROPRIATION ~~AND PROGRAM~~**  
6.5 **~~COORDINATION.~~**

6.6 The commissioner of education must distribute money appropriated for that purpose  
6.7 to federally designated Head Start program grantees programs to expand services and to  
6.8 serve additional low-income children. ~~Money must be allocated to each project Head Start~~  
6.9 ~~grantee in existence on the effective date of Laws 1989, chapter 282.~~ Migrant and Indian  
6.10 reservation grantees programs must be initially allocated money based on the grantees'  
6.11 programs' share of federal funds. The remaining money must be initially allocated to the  
6.12 remaining local agencies based equally on the agencies' share of federal funds and on the  
6.13 proportion of eligible children in the agencies' service area who are not currently being  
6.14 served. A Head Start grantee must be funded at a per child rate equal to its contracted,  
6.15 federally funded base level ~~for program accounts 20, 22, and 25~~ at the start of the fiscal  
6.16 year. In allocating funds under this paragraph, the commissioner of education must assure  
6.17 that each Head Start grantee program in existence in 1993 is allocated no less funding  
6.18 in any fiscal year than was allocated to that grantee program in fiscal year 1993. ~~The~~  
6.19 ~~commissioner may provide additional funding to grantees for start-up costs incurred by~~  
6.20 ~~grantees due to the increased number of children to be served.~~ Before paying money to  
6.21 the grantees programs, the commissioner must notify each grantee program of its initial  
6.22 allocation, how the money must be used, and the number of low-income children ~~that~~  
6.23 must to be served with the allocation based upon the federally funded per child rate.  
6.24 Each grantee program must present a ~~work plan to the commissioner for approval.~~ ~~The~~  
6.25 ~~work plan must include the estimated number of low-income children and families it will~~  
6.26 ~~be able to serve, a description of the program design and service delivery area which~~  
6.27 ~~meets the needs of and encourages access by low-income working families, a program~~  
6.28 ~~design that ensures fair and equitable access to Head Start services for all populations and~~  
6.29 ~~parts of the service area, and a plan for coordinating services to maximize assistance~~  
6.30 ~~for child care costs available to families under chapter 119B.~~ under section 119A.535.  
6.31 For any grantee that cannot utilize its full allocation, the commissioner must reduce the  
6.32 allocation proportionately. Money available after the initial allocations are reduced must  
6.33 be redistributed to eligible grantees.

7.1 Sec. 4. Minnesota Statutes 2004, section 119A.53, is amended to read:

7.2 **119A.53 FEDERAL REQUIREMENTS.**

7.3 ~~Grantees~~ Programs and the commissioner shall comply with federal regulations  
7.4 governing the federal Head Start program, except for funding for innovative initiatives  
7.5 under section ~~119A.52~~ 119A.535 as approved by the commissioner, which may be used to  
7.6 operate differently than federal Head Start regulations. If a state statute or rule conflicts  
7.7 with a federal statute or regulation, the state statute or rule prevails.

7.8 Sec. 5. **[119A.535] APPLICATION REQUIREMENTS.**

7.9 Eligible Head Start organizations must submit a plan to the department for approval  
7.10 on a form and in the manner prescribed by the commissioner. The plan must include:

7.11 (1) the estimated number of low-income children and families the program will be  
2 able to serve;

7.13 (2) a description of the program design and service delivery area which meets the  
7.14 needs of and encourages access by low-income working families;

7.15 (3) a program design that ensures fair and equitable access to Head Start services for  
7.16 all populations and parts of the service area;

7.17 (4) a plan for coordinating services to maximize assistance for child care costs  
7.18 available to families under chapter 119B; and

7.19 (5) identification of regular Head Start, early Head Start, and innovative services  
7.20 based upon demonstrated needs to be provided.

7.21 Sec. 6. Minnesota Statutes 2004, section 119A.545, is amended to read:

7.22 **119A.545 AUTHORITY TO WAIVE REQUIREMENTS DURING DISASTER**  
7.23 **PERIODS.**

7.24 The commissioner of education may waive requirements under sections 119A.50  
7.25 to ~~119A.53~~ 119A.535, for up to nine months after the disaster, for Head Start ~~grantees~~  
7.26 programs in areas where a federal disaster has been declared under United States Code,  
7.27 title 42, section 5121, et seq., or the governor has exercised authority under chapter 12.  
7.28 The commissioner shall notify the chairs of the appropriate ~~senate Family and Early~~  
7.29 ~~Childhood Education Budget Division, the senate Education Finance Committee, the and~~  
7.30 ~~house Family and Early Childhood Education Finance Division, the house Education~~  
7.31 ~~Committee, and the house Ways and Means Committee~~ committees ten days before the  
7.32 effective date of any waiver granted under this section.

8.1 Sec. 7. Minnesota Statutes 2005 Supplement, section 119B.13, subdivision 1, is  
8.2 amended to read:

8.3 Subdivision 1. **Subsidy restrictions.** ~~(a)(i) Effective July 1, 2005, the commissioner~~  
8.4 ~~of human services shall modify the rate tables for child care centers published in~~  
8.5 ~~Department of Human Services Bulletin No. 03-68-07 so that in counties with regional or~~  
8.6 ~~statewide cells, the higher of the 100th percentile of the 2002 market rate survey data or~~  
8.7 ~~the rate currently identified in the bulletin will be the maximum rate. The rates established~~  
8.8 ~~in this clause will be considered as the previous year's rates for purposes of the increase in~~  
8.9 ~~item (iii), and shall be compared to the 100th percentile of current market rates.~~

8.10 ~~(ii) For the period between July 1, 2005, and through the full implementation of the~~  
8.11 ~~new rates under item (iii), the rates published in Department of Human Services Bulletin~~  
8.12 ~~No. 03-68-07 as adjusted by item (i) shall remain in effect.~~

8.13 ~~(iii) (a) Beginning January July 1, 2006, the maximum rate paid for child care~~  
8.14 ~~assistance in any county or multicounty region under the child care fund shall be the lesser~~  
8.15 ~~of the 75th percentile rate for like-care arrangements in the county or multicounty region~~  
8.16 ~~as surveyed by the commissioner or the previous year's rate for like-care arrangements in~~  
8.17 ~~the county increased by 1.75 percent except that in counties where the maximum rate is~~  
8.18 ~~set at the 100th percentile on January 1, 2006, as published in Policy Bulletin 05-68-15,~~  
8.19 ~~the maximum rate shall continue to be set at the 100th percentile.~~

8.20 ~~(iv) (b) Rate changes shall be implemented for services provided in March~~  
8.21 ~~September 2006 unless a participant eligibility redetermination or a new provider~~  
8.22 ~~agreement is completed between January July 1, 2006, and February 28 August 31, 2006.~~

8.23 As necessary, appropriate notice of adverse action must be made according to  
8.24 Minnesota Rules, part 3400.0185, subparts 3 and 4.

8.25 New cases approved on or after January July 1, 2006, shall have the maximum rates  
8.26 under ~~item (iii) paragraph (a),~~ implemented immediately.

8.27 ~~(b) (c) Not less than once every two years, the commissioner shall survey rates~~  
8.28 ~~charged by child care providers in Minnesota to determine the 75th percentile for~~  
8.29 ~~like-care arrangements in counties. When the commissioner determines that, using the~~  
8.30 ~~commissioner's established protocol, the number of providers responding to the survey is~~  
8.31 ~~too small to determine the 75th percentile rate for like-care arrangements in a county or~~  
8.32 ~~multicounty region, the commissioner may establish the 75th percentile maximum rate~~  
8.33 ~~based on like-care arrangements in a county, region, or category that the commissioner~~  
8.34 ~~deems to be similar.~~

8.35 ~~(e) (d) A rate which includes a special needs rate paid under subdivision 3 may be in~~  
8.36 ~~excess of the maximum rate allowed under this subdivision.~~

9.1 ~~(d)~~ (e) The department shall monitor the effect of this paragraph on provider rates.  
 9.2 The county shall pay the provider's full charges for every child in care up to the maximum  
 9.3 established. The commissioner shall determine the maximum rate for each type of care on  
 9.4 an hourly, full-day, and weekly basis, including special needs and handicapped care. The  
 9.5 commissioner shall also determine the maximum rate for school age care on a half-day  
 9.6 basis.

9.7 ~~(e)~~ (f) When the provider charge is greater than the maximum provider rate allowed,  
 9.8 the parent is responsible for payment of the difference in the rates in addition to any  
 9.9 family co-payment fee.

9.10 **EFFECTIVE DATE.** This section is effective July 1, 2006.

9.11 Sec. 8. Minnesota Statutes 2004, section 119B.13, is amended by adding a subdivision  
 9.12 to read:

9.13 **Subd. 3a. Provider rate differential for accreditation.** A family child care  
 9.14 provider or child care center shall be paid a 15 percent differential above the maximum rate  
 9.15 established in subdivision 1, up to the actual provider rate, if the provider or center holds a  
 9.16 current early childhood development credential or is accredited. For a family child care  
 9.17 provider, early childhood development credential and accreditation includes an individual  
 9.18 who has earned a child development associate degree, a diploma in child development from  
 9.19 a Minnesota state technical college, or a bachelor's degree in early childhood education  
 9.20 from an accredited college or university, or who is accredited by the National Association  
 9.21 for Family Child Care or the Competency Based Training and Assessment Program. For a  
 2 child care center, accreditation includes accreditation by the National Association for the  
 9.23 Education of Young Children, the Council on Accreditation, the National Early Childhood  
 9.24 Program Accreditation, the National School-Age Care Association, or the National Head  
 9.25 Start Association Program of Excellence. For Montessori programs, accreditation includes  
 9.26 the American Montessori Society, Association of Montessori International-USA, or the  
 9.27 National Center for Montessori Education.

9.28 **EFFECTIVE DATE.** This section is effective July 1, 2006.

9.29 Sec. 9. Minnesota Statutes 2004, section 121A.17, subdivision 3, is amended to read:

9.30 **Subd. 3. Screening program.** (a) A screening program must include at least the  
 9.31 following components: developmental assessments, hearing and vision screening or  
 9.32 referral, immunization review and referral, the child's height and weight, identification  
 9.33 of risk factors that may influence learning, an interview with the parent about the child,

10.1 and referral for assessment, diagnosis, and treatment when potential needs are identified.  
10.2 The district and the person performing or supervising the screening must provide a  
10.3 parent or guardian with clear written notice that the parent or guardian may decline to  
10.4 answer questions or provide information about family circumstances that might affect  
10.5 development and identification of risk factors that may influence learning. The notice  
10.6 must clearly state that declining to answer questions or provide information does not  
10.7 prevent the child from being enrolled in kindergarten or first grade if all other screening  
10.8 components are met. If a parent or guardian is not able to read and comprehend the written  
10.9 notice, the district and the person performing or supervising the screening must convey  
10.10 the information in another manner. The notice must also inform the parent or guardian  
10.11 that a child need not submit to the district screening program if the child's health records  
10.12 indicate to the school that the child has received comparable developmental screening  
10.13 performed within the preceding 365 days by a public or private health care organization or  
10.14 individual health care provider. The notice must be given to a parent or guardian at the  
10.15 time the district initially provides information to the parent or guardian about screening  
10.16 and must be given again at the screening location.

10.17 (b) The social/emotional component of the developmental assessment must be  
10.18 completed using a social/emotional screening instrument approved by the commissioner  
10.19 of education, and consistent with the standards of the commissioners of health and human  
10.20 services.

10.21 (c) All screening components shall be consistent with the standards of the state  
10.22 commissioner of health for early developmental screening programs. A developmental  
10.23 screening program must not provide laboratory tests or a physical examination to any  
10.24 child. The district must request from the public or private health care organization or the  
10.25 individual health care provider the results of any laboratory test or physical examination  
10.26 within the 12 months preceding a child's scheduled screening.

10.27 (e) (d) If a child is without health coverage, the school district must refer the child to  
10.28 an appropriate health care provider.

10.29 (d) (e) A board may offer additional components such as nutritional, physical and  
10.30 dental assessments, review of family circumstances that might affect development, blood  
10.31 pressure, laboratory tests, and health history.

10.32 (e) (f) If a statement signed by the child's parent or guardian is submitted to the  
10.33 administrator or other person having general control and supervision of the school that  
10.34 the child has not been screened because of conscientiously held beliefs of the parent  
10.35 or guardian, the screening is not required.

11.1 Sec. 10. Minnesota Statutes 2005 Supplement, section 121A.19, is amended to read:

11.2 **121A.19 DEVELOPMENTAL SCREENING AID.**

11.3 Each school year, the state must pay a district ~~\$50~~ for each ~~three-year-old child~~  
 11.4 ~~screened; \$40 for each four-year-old child screened; and \$30 for each five-year-old child~~  
 11.5 ~~or student~~ screened by the district ~~prior to kindergarten~~ according to the requirements of  
 11.6 section 121A.17. The amount of state aid for each child or student screened shall be: (1)  
 11.7 \$50 for a child screened at age three; (2) \$40 for a child screened at age four; (3) \$30  
 11.8 for a child screened at age five or six prior to kindergarten; and (4) \$30 for a student  
 11.9 screened within 30 days after first enrolling in a public school kindergarten if the student  
 11.10 has not previously been screened according to the requirements of section 121A.17. If this  
 11.11 amount of aid is insufficient, the district may permanently transfer from the general fund  
 11.12 an amount that, when added to the aid, is sufficient. Developmental screening aid shall not  
 11.13 be paid for any student who is screened more than 30 days after the first day of attendance  
 11.14 at a public school kindergarten, except if a student transfers to another public school  
 11.15 kindergarten within 30 days after first enrolling in a Minnesota public school kindergarten  
 11.16 program. In this case, if the student has not been screened, the district to which the student  
 11.17 transfers may receive developmental screening aid for screening that student when the  
 11.18 screening is performed within 30 days of the transfer date.

11.19 Sec. 11. **[124D.129] EDUCATE PARENTS PARTNERSHIP.**

11.20 The commissioner must work in partnership with health care providers and  
 11.21 community organizations to provide parent education information to parents of newborns  
 11.22 at the time of birth. The commissioner must coordinate the partnership and the distribution  
 11.23 of informational material to the parents of newborns before they leave the hospital with  
 11.24 early childhood organizations, including, but not limited to, early childhood family  
 11.25 education, child care resource and referral, and interagency early intervention committees.  
 11.26 The commissioner must develop a resource Web site that promotes, at a minimum, the  
 11.27 department Web site for information and links to resources on child development, parent  
 11.28 education, child care, and consumer safety information.

11.29 Sec. 12. Minnesota Statutes 2004, section 124D.13, subdivision 2, is amended to read:

11.30 Subd. 2. **Program characteristics.** (a) Early childhood family education programs  
 11.31 are programs for children in the period of life from birth to kindergarten, for the parents  
 11.32 and other relatives of such these children, and for expectant parents. To the extent  
 11.33 that funds are insufficient to provide programs for all children, early childhood family  
 11.34 education programs should emphasize programming for a child from birth to age three



12.1 and encourage parents and other relatives to involve four- and five-year-old children in  
 12.2 school readiness programs, and other public and nonpublic early learning programs. Early  
 12.3 childhood family education programs may include the following:

12.4 (1) programs to educate parents and other relatives about the physical, mental,  
 12.5 and emotional development of children;

12.6 (2) programs to enhance the skills of parents and other relatives in providing for  
 12.7 their children's learning and development;

12.8 (3) learning experiences for children and parents and other relatives that promote  
 12.9 children's development;

12.10 (4) activities designed to detect children's physical, mental, emotional, or behavioral  
 12.11 problems that may cause learning problems;

12.12 (5) activities and materials designed to encourage self-esteem, skills, and behavior  
 12.13 that prevent sexual and other interpersonal violence;

12.14 (6) educational materials which may be borrowed for home use;

12.15 (7) information on related community resources;

12.16 (8) programs to prevent child abuse and neglect;

12.17 (9) other programs or activities to improve the health, development, and school  
 12.18 readiness of children; or

12.19 (10) activities designed to maximize development during infancy.

12.20 The programs must not include activities for children that do not require substantial  
 12.21 involvement of the children's parents or other relatives. The programs must be reviewed  
 12.22 periodically to assure the instruction and materials are not racially, culturally, or sexually  
 12.23 biased. The programs must encourage parents to be aware of practices that may affect  
 12.24 equitable development of children.

12.25 (b) For the purposes of this section, "relative" or "relatives" means noncustodial  
 12.26 grandparents or other persons related to a child by blood, marriage, adoption, or foster  
 12.27 placement, excluding parents.

12.28 Sec. 13. Minnesota Statutes 2004, section 124D.13, subdivision 3, is amended to read:

12.29 Subd. 3. **Substantial parental involvement.** The requirement of substantial  
 12.30 parental or other relative involvement in subdivision 2 means that:

12.31 (a) parents or other relatives must be physically present much of the time in classes  
 12.32 with their children or be in concurrent classes;

12.33 (b) parenting education or family education must be an integral part of every early  
 12.34 childhood family education program;

13.1 (c) early childhood family education appropriations must not be used for traditional  
13.2 day care or nursery school, or similar programs; and

13.3 (d) the form of parent involvement common to kindergarten, elementary school, or  
13.4 early childhood special education programs such as parent conferences, newsletters, and  
13.5 notes to parents do not qualify a program under subdivision 2.

13.6 Sec. 14. Minnesota Statutes 2005 Supplement, section 124D.135, subdivision 1,  
13.7 is amended to read:

13.8 Subdivision 1. **Revenue.** The revenue for early childhood family education  
13.9 programs for a school district equals ~~\$96 for fiscal year 2005 and \$104~~ \$120 for fiscal year  
13.10 ~~2006~~ 2007 and later, times the greater of:

13.11 (1) 150; or

13.12 (2) the number of people under five years of age residing in the district on October 1  
13.13 of the previous school year.

13.14 Sec. 15. **[124D.136] KINDERGARTEN ENTRANCE ASSESSMENT**  
13.15 **INITIATIVE; INTERVENTION PROGRAM.**

13.16 Subdivision 1. **Kindergarten entrance assessment initiative.** (a) The  
13.17 commissioner of education shall establish a method for assessing the school readiness of  
13.18 children entering kindergarten, building on the two school readiness studies conducted by  
13.19 the Department of Education in 2002 and 2003.

13.20 (b) Over a three-year period, school sites may implement the kindergarten entrance  
13.21 assessment initiative based on the school rank under section 124D.081, starting with  
13.22 the school sites with the highest rank. Under section 124D.081, the commissioner of  
13.23 education ranks all school sites based on the incidence of free and reduced lunch. The  
13.24 school sites with the highest incidence of free and reduced lunch receive the highest rank.

13.25 The schedule for implementation is as follows:

13.26 (1) fiscal year 2008, 30 percent of children entering kindergarten;

13.27 (2) fiscal year 2009, 50 percent of children entering kindergarten; and

13.28 (3) fiscal year 2010, 100 percent of children entering kindergarten.

13.29 Subd. 2. **Intervention program.** A school site that participates in the kindergarten  
13.30 entrance assessment initiative under subdivision 1 must work with the school district and  
13.31 other community partners to establish a kindergarten readiness intervention program to  
13.32 provide additional instruction to children who are assessed and identified as being not  
13.33 yet ready for kindergarten. A school site that participates in the kindergarten entrance  
13.34 assessment initiative under subdivision 1 must complete the requirements of this section

14.1 within available K-12 funding sources. Each child will have a locally determined  
 14.2 intervention strategy focusing the curriculum content on the individualized needs of that  
 14.3 child. The commissioner, at a district's request, must assist the district and the school to  
 14.4 develop the intervention program. At the end of the kindergarten school year, the district  
 14.5 must reassess each child who receives an intervention to evaluate the progress of the child  
 14.6 over the kindergarten year and the success of the intervention strategy developed for that  
 14.7 child. The district must report the results of the intervention and year-end assessment to  
 14.8 the commissioner.

14.9 Subd. 3. Report to legislature. The commissioner shall report annually to the  
 14.10 senate and house of representatives committees having jurisdiction over early childhood  
 14.11 education on the results of the kindergarten entrance assessment initiative, and the results  
 14.12 of the intervention program.

14.13 Sec. 16. Minnesota Statutes 2005 Supplement, section 124D.175, is amended to read:

14.14 **124D.175 MINNESOTA EARLY LEARNING FOUNDATION PROPOSAL.**

14.15 (a) The commissioner must implement an early childhood development grant  
 14.16 program for low-income and other challenged families that increases the effectiveness  
 14.17 and expands the capacity of public and nonpublic early childhood development programs,  
 14.18 which may include child care programs, and leads to improved early childhood parent  
 14.19 education and children's kindergarten readiness. The program must include:

14.20 (1) grant awards to existing early childhood development program providers that  
 14.21 also provide parent education programs and to qualified providers proposing to implement  
 14.22 pilot programs for this same purpose;

14.23 (2) grant awards to enable low-income families to participate in these programs;

14.24 (3) grant awards to improve overall programmatic quality; and

14.25 (4) an evaluation of the programmatic and financial efficacy of all these programs,  
 14.26 which may be performed using measures of services, staffing, and management systems  
 14.27 that provide consistent information about system performance, show trends, confirm  
 14.28 successes, and identify potential problems in early childhood development programs.

14.29 This grant program must not supplant existing early childhood development programs  
 14.30 or child care funds.

14.31 (b) The commissioner must ~~contract with~~ make a grant to a private nonprofit, section  
 14.32 501(c)(3) organization to implement the requirements of paragraph (a). Notwithstanding  
 14.33 any laws to the contrary, the private nonprofit organization may contract with the  
 14.34 University of Minnesota for purposes of implementing paragraph (a), clause (4). The  
 14.35 private nonprofit organization must be governed by a board of up to 19 directors composed

15.1 of members from the public and nonpublic sectors, where the nonpublic sector members  
 15.2 compose a ~~simple~~ majority of board members and ~~where the public sector members are~~  
 15.3 ~~state and local government officials, kindergarten through grade 12 or postsecondary~~  
 15.4 ~~educators, and early childhood providers appointed by the governor.~~ Membership on the  
 15.5 board of directors by a state agency official are work duties for the official and are not a  
 15.6 conflict of interest under section 43A.38. The board of directors must appoint an executive  
 15.7 director and must seek advice from geographically ~~and~~, ethnically, and economically  
 15.8 diverse parents of young children and representatives of early childhood development  
 15.9 providers, kindergarten through grade 12 and postsecondary educators, public libraries,  
 15.10 and the business sector.

15.11 The governor shall appoint up to seven voting members that include representatives  
 15.12 of:

- 15.13 (1) kindergarten through grade 12 or postsecondary educators;  
 15.14 (2) early childhood development providers, including child care providers;  
 15.15 (3) local school boards;  
 15.16 (4) nonprofit organizations with expertise in early childhood development; and  
 15.17 (5) federal early childhood programs serving low-income children.

15.18 The governor shall ensure that, to the extent possible, the board of directors is  
 15.19 balanced according to geography, race, ethnicity, age, gender, and economic status.

15.20 The commissioners of education and human services shall be nonvoting members  
 15.21 of the private nonprofit organization. The speaker of the house of representatives, the  
 15.22 minority leader of the house of representatives, the majority leader of the senate, and the  
 15.23 minority leader of the senate shall each appoint a legislator to be nonvoting members of  
 15.24 the board.

15.25 The board of directors is subject to the open meeting law under chapter 13D.  
 15.26 All other terms and conditions under which board members serve and operate must be  
 15.27 described in the articles and bylaws of the organization. The private nonprofit organization  
 15.28 is not a state agency and is not subject to laws governing public agencies except the  
 15.29 provisions of chapter 13, salary limits under section 15A.0815, subdivision 2, and audits  
 15.30 by the legislative auditor under chapter 3 apply.

15.31 (c) In addition to the duties under paragraph (a), the Minnesota Early Learning  
 15.32 Foundation (MELF) shall evaluate the effectiveness of the voluntary NorthStar Quality  
 15.33 Improvement and Rating System. The NorthStar Quality Improvement and Rating System  
 15.34 must:

- 15.35 (1) provide consumer information for parents on child care and early education  
 15.36 program quality and ratings;

16.1 (2) set indicators to identify quality in care and early education settings, including  
16.2 licensed family child care and centers, tribal providers and programs, Head Start and  
16.3 school-age programs, and identify quality programs through ratings and ongoing  
16.4 monitoring of programs;

16.5 (3) provide funds for provider improvement grants and quality achievement grants;

16.6 (4) require participating providers to incorporate the state's early learning standards  
16.7 in their curriculum activities and develop appropriate child assessments aligned with the  
16.8 kindergarten readiness assessment;

16.9 (5) provide accountability for the NorthStar Quality Improvement and Rating  
16.10 System's effectiveness in improving child outcomes and kindergarten readiness; and

16.11 (6) align current and new state investments to improve the quality of child care  
16.12 with the NorthStar Quality Improvement and Rating System framework, by providing  
16.13 accountability and informed parent choice.

16.14 The Minnesota Early Learning Foundation shall report back to the legislature by  
16.15 January 15, 2008, on the progress being made under this paragraph.

16.16 (d) The MELF shall convene a workgroup to analyze barriers to Head Start/child  
16.17 care partnerships, and to develop recommendations for cost-effective strategies to help  
16.18 Head Start and child care providers develop partnerships to offer full-day, full-year  
16.19 services to at-risk children who qualify for Head Start and child care assistance.

16.20 (1) The workgroup must include representatives from each of the following groups:

16.21 (i) state agency staff administering child care and Head Start programs;

16.22 (ii) local Head Start programs and child care providers working in partnership;

16.23 (iii) statewide organizations representing Head Start programs and child care  
16.24 providers;

16.25 (iv) county agencies administering child care assistance and Minnesota  
16.26 family-investment programs; and

16.27 (v) participants and others who are eligible for Head Start and child care assistance  
16.28 programs.

16.29 (2) A report outlining the workgroup's recommendations must be provided to the  
16.30 senate and house of representatives committees having jurisdiction over child care and  
16.31 Head Start issues by January 15, 2007.

16.32 (e) This section expires June 30, 2011. If no state appropriation is made for purposes  
16.33 of this section, the commissioner must not implement paragraphs (a) and (b).

16.34 **EFFECTIVE DATE.** This section, paragraph (b), is effective retroactively from  
16.35 July 1, 2005.

17.1 Sec. 17. Minnesota Statutes 2004, section 124D.518, subdivision 4, is amended to read:

17.2 Subd. 4. **First prior program year.** "First prior program year" means the period  
 17.3 ~~from May 1 of the second prior fiscal year through April 30 of the first prior fiscal year~~  
 17.4 specific time period defined by the commissioner that aligns to a program academic year.

17.5 Sec. 18. Minnesota Statutes 2004, section 124D.52, subdivision 1, is amended to read:

17.6 Subdivision 1. **Program requirements.** (a) An adult basic education program is a  
 17.7 day or evening program offered by a district that is for people over 16 years of age who do  
 17.8 not attend an elementary or secondary school. The program offers academic instruction  
 17.9 necessary to earn a high school diploma or equivalency certificate.

17.10 (b) Notwithstanding any law to the contrary, a school board or the governing body of  
 17.11 a consortium offering an adult basic education program may adopt a sliding fee schedule  
 17.12 based on a family's income, but must waive the fee for participants who are under the  
 17.13 age of 21 or unable to pay. The fees charged must be designed to enable individuals of  
 17.14 all socioeconomic levels to participate in the program. A program may charge a security  
 17.15 deposit to assure return of materials, supplies, and equipment.

17.16 (c) Each approved adult basic education program must develop a memorandum of  
 17.17 understanding with the local workforce development centers located in the approved  
 17.18 program's service delivery area. The memorandum of understanding must describe how  
 17.19 the adult basic education program and the workforce development centers will cooperate  
 17.20 and coordinate services to provide unduplicated, efficient, and effective services to clients.

17.21 (d) Adult basic education aid must be spent for adult basic education purposes as  
 17.22 specified in sections 124D.518 to 124D.531.

17.23 (e) A state-approved adult basic education program must count and submit student  
 17.24 contact hours for a program that offers high school credit toward an adult high school  
 17.25 diploma according to student eligibility requirements and competency demonstration  
 17.26 requirements established by the commissioner.

17.27 Sec. 19. Minnesota Statutes 2005 Supplement, section 124D.531, subdivision 1,  
 17.28 is amended to read:

17.29 Subdivision 1. **State total adult basic education aid.** (a) The state total adult basic  
 17.30 education aid for fiscal year 2005 is \$36,509,000. The state total adult basic education aid  
 17.31 for fiscal year 2006 ~~and later is \$36,509,000~~ equals \$36,587,000 plus any amount that is  
 17.32 not paid for during the previous fiscal year, as a result of adjustments under subdivision 4,  
 17.33 paragraph (a), or section 124D.52, subdivision 3. The state total adult basic education  
 17.34 aid for fiscal year 2007 equals \$37,673,000 plus any amount that is not paid for during

18.1 the previous fiscal year, as a result of adjustments under subdivision 4, paragraph (a), or  
 18.2 section 124D.52, subdivision 3. The state total adult basic education aid for later fiscal  
 18.3 years equals:

18.4 (1) the state total adult basic education aid for the preceding fiscal year plus any  
 18.5 amount that is not paid for during the previous fiscal year, as a result of adjustments under  
 18.6 subdivision 4, paragraph (a), or section 124D.52, subdivision 3; times

18.7 (2) the lesser of:

18.8 (i) 1.03; or

18.9 (ii) the greater of 1.00 or the ratio of the state total contact hours in the first prior  
 18.10 program year to the state total contact hours in the second prior program year.

18.11 Beginning in fiscal year 2002, two percent of the state total adult basic education  
 18.12 aid must be set aside for adult basic education supplemental service grants under section  
 18.13 124D.522.

18.14 (b) The state total adult basic education aid, excluding basic population aid, equals  
 18.15 the difference between the amount computed in paragraph (a), and the state total basic  
 18.16 population aid under subdivision 2.

18.17 Sec. 20. Minnesota Statutes 2004, section 125A.27, subdivision 3, is amended to read:

18.18 Subd. 3. **Core early intervention services.** "Core early intervention services"  
 18.19 means services that are available at no cost to children and families. These services  
 18.20 include:

18.21 (1) identification and referral;

18.22 (2) screening;

18.23 (3) evaluation;

18.24 (4) assessment;

18.25 (5) service coordination;

18.26 (6) special education and related services ~~provided under section 125A.08, and~~  
 18.27 ~~United States Code, title 20, section 1401~~ for children who qualify for these services  
 18.28 under Minnesota Rules; and

18.29 (7) protection of parent and child rights by means of procedural safeguards.

18.30 Sec. 21. Minnesota Statutes 2004, section 125A.27, subdivision 7, is amended to read:

18.31 Subd. 7. **Early intervention system.** "Early intervention system" means the total  
 18.32 effort in the state to meet the needs of eligible children and their families, ~~including,~~  
 18.33 ~~but not limited to:~~

19.1 ~~(1) any public agency in the state that receives funds under the Individuals with~~  
 19.2 ~~Disabilities Education Act, United States Code, title 20, sections 1471 to 1485 (Part~~  
 19.3 ~~C, Public Law 102-119);~~

19.4 ~~(2) other state and local agencies administering programs involved in the provision~~  
 19.5 ~~of early intervention services, including, but not limited to:~~

19.6 ~~(i) the Maternal and Child Health program under title V of the Social Security Act,~~  
 19.7 ~~United States Code, title 42, sections 701 to 709;~~

19.8 ~~(ii) the Individuals with Disabilities Education Act, United States Code, title 20,~~  
 19.9 ~~sections 1411 to 1420 (Part B);~~

19.10 ~~(iii) medical assistance under the Social Security Act, United States Code, title~~  
 19.11 ~~42, section 1396 et seq.;~~

19.12 ~~(iv) the Developmental Disabilities Assistance and Bill of Rights Act, United States~~  
 19.13 ~~Code, title 42, sections 6021 to 6030 (Part B); and~~

19.14 ~~(v) the Head Start Act, United States Code, title 42, sections 9831 to 9852; and~~

19.15 ~~(3) services provided by private groups or third-party payers in conformity with an~~  
 19.16 ~~individualized family service plan.~~

19.17 Sec. 22. Minnesota Statutes 2004, section 125A.27, subdivision 8, is amended to read:

19.18 Subd. 8. **Eligibility for Part C.** "Eligibility for Part C" means eligibility for early  
 19.19 childhood special education under section 125A.02 and Minnesota Rules, ~~part 3525.2335,~~  
 19.20 ~~subpart 1, items A and B.~~

19.21 Sec. 23. Minnesota Statutes 2004, section 125A.27, subdivision 11, is amended to read:

19.22 Subd. 11. **Interagency child find systems.** "Interagency child find systems"  
 19.23 means activities developed on an interagency basis with the involvement of interagency  
 19.24 early intervention committees and other relevant community groups using rigorous  
 19.25 standards to actively seek out, identify, and refer infants and young children, with, or at  
 19.26 risk of, disabilities, and their families, including a child under the age of three who: (1)  
 19.27 is involved in a substantiated case of abuse or neglect, or (2) is identified as affected by  
 19.28 illegal substance abuse, or withdrawal symptoms resulting from prenatal drug exposure, to  
 19.29 reduce the need for future services.

19.30 Sec. 24. Minnesota Statutes 2004, section 125A.27, subdivision 15, is amended to read:

19.31 Subd. 15. **Part C state plan.** "Part C state plan" means the annual state plan  
 19.32 application approved by the federal government ~~under the Individuals with Disabilities~~



20.1 ~~Education Act, United States Code, title 20, section 1471 et seq. (Part C, Public Law~~  
20.2 ~~105-117).~~

20.3 Sec. 25. Minnesota Statutes 2004, section 125A.27, subdivision 18, is amended to read:

20.4 Subd. 18. **State lead agency.** "State lead agency" means the state agency receiving  
20.5 federal funds ~~under the Individuals with Disabilities Education Act, United States Code,~~  
20.6 ~~title 20, section 1471 et seq. (Part H, Public Law 102-119)~~ for the purposes of providing  
20.7 early intervention services.

20.8 Sec. 26. Minnesota Statutes 2005 Supplement, section 125A.28, is amended to read:

20.9 **125A.28 STATE INTERAGENCY COORDINATING COUNCIL.**

20.10 An Interagency Coordinating Council of at least 17, but not more than 25 members  
20.11 is established, in compliance with Public Law ~~102-119~~ 108-446, section ~~682~~ 641. The  
20.12 members must be appointed by the governor. Council members must elect the council  
20.13 chair. The representative of the commissioner may not serve as the chair. The council  
20.14 must be composed of at least five parents, including persons of color, of children with  
20.15 disabilities under age 12, including at least three parents of a child with a disability  
20.16 under age seven, five representatives of public or private providers of services for  
20.17 children with disabilities under age five, including a special education director, county  
20.18 social service director, local Head Start director, and a community health services or  
20.19 public health nursing administrator, one member of the senate, one member of the  
20.20 house of representatives, one representative of teacher preparation programs in early  
20.21 childhood-special education or other preparation programs in early childhood intervention,  
20.22 at least one representative of advocacy organizations for children with disabilities under  
20.23 age five, one physician who cares for young children with special health care needs, one  
20.24 representative each from the commissioners of commerce, education, health, human  
20.25 services, a representative from the state agency responsible for child care, foster care,  
20.26 mental health, homeless coordinator of education of homeless children and youth, and a  
20.27 representative from Indian health services or a tribal council. Section 15.059, subdivisions  
20.28 2 to 5, apply to the council. The council must meet at least quarterly.

20.29 The council must address methods of implementing the state policy of developing  
20.30 and implementing comprehensive, coordinated, multidisciplinary interagency programs of  
20.31 early intervention services for children with disabilities and their families.

20.32 The duties of the council include recommending policies to ensure a comprehensive  
20.33 and coordinated system of all state and local agency services for children under age five  
20.34 with disabilities and their families. The policies must address how to incorporate each

21.1 agency's services into a unified state and local system of multidisciplinary assessment  
 21.2 practices, individual intervention plans, comprehensive systems to find children in need of  
 21.3 services, methods to improve public awareness, and assistance in determining the role of  
 21.4 interagency early intervention committees.

21.5 On the date that Minnesota Part C Annual Performance Report is submitted to the  
 21.6 federal Office of Special Education, the council must recommend to the governor and the  
 21.7 commissioners of education, health, human services, commerce, and employment and  
 21.8 economic development policies for a comprehensive and coordinated system.

21.9 Notwithstanding any other law to the contrary, the State Interagency Coordinating  
 21.10 Council expires on June 30, 2009.

21.11 Sec. 27. Minnesota Statutes 2004, section 125A.29, is amended to read:

21.12 **125A.29 RESPONSIBILITIES OF COUNTY BOARDS AND SCHOOL**  
 21.13 **BOARDS.**

21.14 (a) It is the joint responsibility of county boards and school boards to coordinate,  
 21.15 provide, and pay for appropriate services, and to facilitate payment for services from public  
 21.16 and private sources. Appropriate services for children eligible under section 125A.02 must  
 21.17 be determined in consultation with parents, physicians, and other educational, medical,  
 21.18 health, and human services providers. The services provided must be in conformity with:

21.19 (1) an IFSP for each eligible infant and toddler from birth through age two and its  
 21.20 the infant's or toddler's family; including:

21.21 (i) Indian infants and toddlers with disabilities and their families residing on a  
 21.22 reservation geographically located in the state;

21.23 (ii) infants and toddlers with disabilities who are homeless children and their  
 21.24 families; and

21.25 (iii) infants and toddlers with disabilities who are wards of the state; or

21.26 (2) an individual education plan (IEP) or individual service plan (ISP) for each  
 21.27 eligible child ages three through four.

21.28 (b) Appropriate services include family education and counseling, home visits,  
 21.29 occupational and physical therapy, speech pathology, audiology, psychological services,  
 21.30 special instruction, nursing, respite, nutrition, assistive technology, transportation  
 21.31 and related costs, social work, vision services, case management including service  
 21.32 coordination under section 125A.33, medical services for diagnostic and evaluation  
 21.33 purposes, early identification, and screening, assessment, and health services necessary to  
 21.34 enable children with disabilities to benefit from early intervention services.

22.1 (c) School and county boards shall coordinate early intervention services. In the  
 22.2 absence of agreements established according to section 125A.39, service responsibilities  
 22.3 for children birth through age two are as follows:

22.4 (1) school boards must provide, pay for, and facilitate payment for special education  
 22.5 and related services required under sections 125A.05 and 125A.06;

22.6 (2) county boards must provide, pay for, and facilitate payment for noneducational  
 22.7 services of social work, psychology, transportation and related costs, nursing, respite, and  
 22.8 nutrition services not required under clause (1).

22.9 (d) School and county boards may develop an interagency agreement according  
 22.10 to section 125A.39 to establish agency responsibility that assures early intervention  
 22.11 services are coordinated, provided, paid for, and that payment is facilitated from public  
 22.12 and private sources.

22.13 (e) County and school boards must jointly determine the primary agency in this  
 22.14 cooperative effort and must notify the commissioner of the state lead agency of their  
 22.15 decision.

22.16 Sec. 28. Minnesota Statutes 2004, section 125A.30, is amended to read:

22.17 **125A.30 INTERAGENCY EARLY INTERVENTION COMMITTEES.**

22.18 (a) A school district, group of districts, or special education cooperative, in  
 22.19 cooperation with the health and human service agencies located in the county or counties  
 22.20 in which the district or cooperative is located, must establish an Interagency Early  
 22.21 Intervention Committee for children with disabilities under age five and their families  
 22.22 under this section, and for children with disabilities ages three to 22 consistent with  
 22.23 the requirements under sections 125A.023 and 125A.027. Committees must include  
 22.24 representatives of local health, education, and county human service agencies, county  
 22.25 boards, school boards, early childhood family education programs, Head Start, parents of  
 22.26 young children with disabilities under age 12, child care resource and referral agencies,  
 22.27 school readiness programs, current service providers, and may also include representatives  
 22.28 from other private or public agencies and school nurses. The committee must elect a chair  
 22.29 from among its members and must meet at least quarterly.

22.30 (b) The committee must develop and implement interagency policies and procedures  
 22.31 concerning the following ongoing duties:

22.32 (1) develop public awareness systems designed to inform potential recipient  
 22.33 families, especially parents with premature infants, or infants with other physical risk  
 22.34 factors associated with learning or development complications, of available programs  
 22.35 and services;

23.1 (2) implement interagency child find systems designed to actively seek out, identify,  
 23.2 and refer infants and young children with, or at risk of, disabilities, including a child  
 23.3 under the age of three who: (i) is involved in a substantiated case of abuse or neglect or  
 23.4 (ii) is identified as affected by illegal substance abuse, or withdrawal symptoms resulting  
 23.5 from prenatal drug exposure, to reduce the need for future services; and their families,  
 23.6 especially parents with premature infants, or infants with other physical risk factors  
 23.7 associated with learning or development complications;

23.8 (3) establish and evaluate the identification, referral, child and family assessment  
 23.9 systems, procedural safeguard process, and community learning systems to recommend,  
 23.10 where necessary, alterations and improvements;

23.11 (4) assure the development of individualized family service plans for all eligible  
 23.12 infants and toddlers with disabilities from birth through age two, and their families, and  
 13 individual education plans and individual service plans when necessary to appropriately  
 23.14 serve children with disabilities, age three and older, and their families and recommend  
 23.15 assignment of financial responsibilities to the appropriate agencies;

23.16 ~~(5) encourage agencies to develop individual family service plans for children with~~  
 23.17 ~~disabilities, age three and older;~~

23.18 ~~(6)~~ implement a process for assuring that services involve cooperating agencies at all  
 23.19 steps leading to individualized programs;

23.20 ~~(7)~~ (6) facilitate the development of a transitional plan if a service provider is not  
 23.21 recommended to continue to provide services;

23.22 ~~(8)~~ (7) identify the current services and funding being provided within the  
 23.23 community for children with disabilities under age five and their families;

23.24 ~~(9)~~ (8) develop a plan for the allocation and expenditure of additional state and  
 23.25 federal early intervention funds under United States Code, title 20, section 1471 et seq.  
 23.26 (Part C, Public Law ~~102-119~~ 108-446) and United States Code, title 20, section 631, et  
 23.27 seq. (Chapter I, Public Law 89-313); and

23.28 ~~(10)~~ (9) develop a policy that is consistent with section 13.05, subdivision 9, and  
 23.29 federal law to enable a member of an interagency early intervention committee to allow  
 23.30 another member access to data classified as not public.

23.31 (c) The local committee shall also:

23.32 (1) participate in needs assessments and program planning activities conducted by  
 23.33 local social service, health and education agencies for young children with disabilities and  
 23.34 their families; and

23.35 (2) review and comment on the early intervention section of the total special  
 23.36 education system for the district, the county social service plan, the section or sections of

24.1 the community health services plan that address needs of and service activities targeted  
 24.2 to children with special health care needs, the section on children with special needs in  
 24.3 the county child care fund plan, sections in Head Start plans on coordinated planning and  
 24.4 services for children with special needs, any relevant portions of early childhood education  
 24.5 plans, such as early childhood family education or school readiness, or other applicable  
 24.6 coordinated school and community plans for early childhood programs and services, and  
 24.7 the section of the maternal and child health special project grants that address needs of and  
 24.8 service activities targeted to children with chronic illness and disabilities.

24.9 Sec. 29. Minnesota Statutes 2004, section 125A.32, is amended to read:

24.10 **125A.32 INDIVIDUALIZED FAMILY SERVICE PLAN (IFSP).**

24.11 (a) A team must participate in IFSP meetings to develop the IFSP. The team shall  
 24.12 include:

24.13 (1) a parent or parents of the child;

24.14 (2) other family members, as requested by the parent, if feasible to do so;

24.15 (3) an advocate or person outside of the family, if the parent requests that the  
 24.16 person participate;

24.17 (4) the service coordinator who has been working with the family since the  
 24.18 initial referral, or who has been designated by the public agency to be responsible for  
 24.19 implementation of the IFSP and coordination with other agencies including transition  
 24.20 services; and

24.21 (5) a person or persons involved in conducting evaluations and assessments.

24.22 (b) The IFSP must include:

24.23 (1) information about the child's developmental status;

24.24 (2) family information, with the consent of the family;

24.25 (3) measurable results or major outcomes expected to be achieved by the child and  
 24.26 the family that include preliteracy and language skills, as developmentally appropriate  
 24.27 for the child, and the criteria, procedures, and timelines;

24.28 (4) specific early intervention services based on peer-reviewed research, to the  
 24.29 extent practicable, necessary to meet the unique needs of the child and the family to  
 24.30 achieve the outcomes;

24.31 (5) payment arrangements, if any;

24.32 (6) medical and other services that the child needs, but that are not required under  
 24.33 the Individual with Disabilities Education Act, United States Code, title 20, section 1471  
 24.34 et seq. (Part C, Public Law ~~102-119~~ 108-446) including funding sources to be used in

- 25.1 paying for those services and the steps that will be taken to secure those services through  
 25.2 public or private sources;
- 25.3 (7) dates and duration of early intervention services;
- 25.4 (8) name of the service coordinator;
- 25.5 (9) steps to be taken to support a child's transition from early intervention services to  
 25.6 other appropriate services, including convening a transition conference at least 90 days or,  
 25.7 at the discretion of all parties, not more than nine months prior to the child's eligibility for  
 25.8 preschool services; and
- 25.9 (10) signature of the parent and authorized signatures of the agencies responsible  
 25.10 for providing, paying for, or facilitating payment, or any combination of these, for early  
 25.11 intervention services.

12 Sec. 30. Minnesota Statutes 2004, section 125A.33, is amended to read:

25.13 **125A.33 SERVICE COORDINATION.**

25.14 (a) The team developing the IFSP under section 125A.32 must select a service  
 25.15 coordinator to carry out service coordination activities on an interagency basis. Service  
 25.16 coordination must actively promote a family's capacity and competency to identify,  
 25.17 obtain, coordinate, monitor, and evaluate resources and services to meet the family's  
 25.18 needs. Service coordination activities include:

- 25.19 (1) coordinating the performance of evaluations and assessments;
- 25.20 (2) facilitating and participating in the development, review, and evaluation of  
 25.21 individualized family service plans;
- 25.22 (3) assisting families in identifying available service providers;
- 25.23 (4) coordinating and monitoring the delivery of available services;
- 25.24 (5) informing families of the availability of advocacy services;
- 25.25 (6) coordinating with medical, health, and other service providers;
- 25.26 (7) facilitating the development of a transition plan at least 90 days before the time  
 25.27 the child is no longer eligible for early intervention services or, at the discretion of all  
 25.28 parties, not more than nine months prior to the child's eligibility for preschool services,  
 25.29 if appropriate;
- 25.30 (8) managing the early intervention record and submitting additional information to  
 25.31 the local primary agency at the time of periodic review and annual evaluations; and
- 25.32 (9) notifying a local primary agency when disputes between agencies impact service  
 25.33 delivery required by an IFSP.

26.1 (b) A service coordinator must be knowledgeable about children and families  
 26.2 receiving services under this section, requirements of state and federal law, and services  
 26.3 available in the interagency early childhood intervention system.

26.4 Sec. 31. Minnesota Statutes 2004, section 125A.48, is amended to read:

26.5 **125A.48 STATE INTERAGENCY AGREEMENT.**

26.6 (a) The commissioners of the Departments of Education, Health, and Human  
 26.7 Services must enter into an agreement to implement this section and Part H C, Public  
 26.8 Law ~~102-119~~ 108-446, and as required by Code of Federal Regulations, title 34, section  
 26.9 303.523, to promote the development and implementation of interagency, coordinated,  
 26.10 multidisciplinary state and local early childhood intervention service systems for serving  
 26.11 eligible young children with disabilities, birth through age two, and their families and  
 26.12 to ensure the meaningful involvement of underserved groups, including minority,  
 26.13 low-income, homeless, and rural families and children with disabilities who are wards  
 26.14 of the state. The agreement must be reviewed annually.

26.15 (b) The state interagency agreement must outline at a minimum the conditions,  
 26.16 procedures, purposes, and responsibilities of the participating state and local agencies  
 26.17 for the following:

26.18 (1) membership, roles, and responsibilities of a state interagency committee for  
 26.19 the oversight of priorities and budget allocations under Part H C, Public Law ~~102-119~~  
 26.20 108-446, and other state allocations for this program;

26.21 (2) child find;

26.22 (3) establishment of local interagency agreements;

26.23 (4) review by a state interagency committee of the allocation of additional state and  
 26.24 federal early intervention funds by local agencies;

26.25 (5) fiscal responsibilities of the state and local agencies;

26.26 (6) intraagency and interagency dispute resolution;

26.27 (7) payor of last resort;

26.28 (8) maintenance of effort;

26.29 (9) procedural safeguards, including mediation;

26.30 (10) complaint resolution;

26.31 (11) quality assurance;

26.32 (12) data collection;

26.33 (13) an annual summary to the state Interagency Coordinating Council regarding  
 26.34 conflict resolution activities including disputes, due process hearings, and complaints; and

27.1 (14) other components of the state and local early intervention system consistent  
27.2 with Public Law ~~102-119~~ 108-446.

27.3 Written materials must be developed for parents, IEIC's, and local service providers  
27.4 that describe procedures developed under this section as required by Code of Federal  
27.5 Regulations, title 34, section 303.

27.6 Sec. 32. Minnesota Statutes 2004, section 245A.023, is amended to read:

27.7 **245A.023 IN-SERVICE TRAINING.**

27.8 (a) For purposes of child care centers, in-service training must be completed within  
27.9 the license period for which it is required. In-service training completed by staff persons  
27.10 as required must be transferable upon a staff person's change in employment to another  
27.11 child care program. License holders shall record all staff in-service training on forms  
27.12 prescribed by the commissioner of human services.

27.13 (b) For purposes of family and group family child care, the license holder and each  
27.14 primary caregiver must complete 12 hours of training each year. For purposes of this  
27.15 section, a primary caregiver is an adult caregiver who provides services in the licensed  
27.16 setting more than 30 days in any 12-month period.

27.17 Sec. 33. Minnesota Statutes 2004, section 245A.14, is amended by adding a  
27.18 subdivision to read:

27.19 Subd. 9a. Early childhood development training. (a) For purposes of child  
27.20 care centers, the director and all staff hired after July 1, 2006, shall complete and  
27.21 document at least two hours of early childhood development training within the first year  
27.22 of employment. Training completed under this subdivision may be used to meet the  
27.23 requirements of Minnesota Rules, part 9503.0035, subparts 1 and 4.

27.24 (b) For purposes of family and group family child care, the license holder and  
27.25 each adult caregiver who provides care in the licensed setting more than 30 days in any  
27.26 12-month period shall complete and document at least two hours of early childhood  
27.27 development training within the first year of licensure or employment. Training completed  
27.28 under this subdivision may be used to meet the requirements of Minnesota Rules, part  
27.29 9502.0385, subparts 2 and 3.

27.30 (c) Notwithstanding paragraphs (a) and (b), individuals are exempt from this  
27.31 requirement if they:

27.32 (1) have taken a three-credit course on early childhood development within the  
27.33 past five years;



28.1 (2) have received a baccalaureate or masters degree in early childhood education or  
28.2 school age child care within the past five years;

28.3 (3) are licensed in Minnesota as a prekindergarten teacher, an early childhood  
28.4 educator, a kindergarten to sixth grade teacher with a prekindergarten specialty, an  
28.5 early childhood special education teacher, or an elementary teacher with a kindergarten  
28.6 endorsement; or

28.7 (4) have received a baccalaureate degree with a Montessori certificate within the  
28.8 past five years.

28.9 Sec. 34. Laws 2005, First Special Session chapter 5, article 7, section 20, subdivision  
28.10 3, is amended to read:

28.11  
28.12 **Subd. 3. Early childhood family education aid.** For early childhood family  
28.13 education aid under Minnesota Statutes, section 124D.135:

28.14	<del>14,356,000</del>		
28.15	\$ <u>15,105,000</u>	.....	2006
28.16	<del>15,137,000</del>		
28.17	\$ <u>20,312,000</u>	.....	2007

28.18  
28.19 The 2006 appropriation includes ~~\$1,861,000~~ \$1,859,000 for 2005 and ~~\$12,495,000~~  
28.20 \$13,246,000 for 2006.

28.21  
28.22 The 2007 appropriation includes ~~\$2,327,000~~ \$1,471,000 for 2006 and ~~\$12,810,000~~  
28.23 \$18,842,000 for 2007.

28.24  
28.25 Sec. 35. Laws 2005, First Special Session chapter 5, article 7, section 20, subdivision  
28.26 4, is amended to read:

28.27  
28.28 **Subd. 4. Health and developmental screening aid.** For health and developmental  
28.29 screening aid under Minnesota Statutes, sections 121A.17 and 121A.19:

28.30	<del>3,076,000</del>		
28.31	\$ <u>3,000,000</u>	.....	2006

29.1 ~~3,511,000~~

29.2 \$ 2,997,000 ..... 2007

29.3

29.4 The 2006 appropriation includes \$417,000 for 2005 and ~~\$2,659,000~~ \$2,583,000  
29.5 for 2006.

29.6

29.7 The 2007 appropriation includes ~~\$494,000~~ \$287,000 for 2006 and ~~\$3,017,000~~  
29.8 \$2,710,000 for 2007.

29.9

29.10 Sec. 36. Laws 2005, First Special Session chapter 5, article 7, section 20, subdivision  
29.11 5, is amended to read:

29.12

29.13 Subd. 5. **Head Start program.** For Head Start programs under Minnesota Statutes,  
29.14 section 119A.52:

29.15 \$ 19,100,000 ..... 2006

29.16 \$ 19,100,000 ..... 2007

29.17 Any balance in the first year does not cancel but is available in the second year.

29.18 Sec. 37. Laws 2005, First Special Session chapter 5, article 9, section 4, subdivision 2,  
29.19 is amended to read:

29.20

29.21 Subd. 2. **Adult basic education aid.** For adult basic education aid under Minnesota  
29.22 Statutes:

29.23 ~~36,518,000~~

29.24 \$ 38,636,000 ..... 2006

29.25 ~~36,540,000~~

29.26 \$ 37,564,000 ..... 2007

29.27

29.28 The 2006 appropriation includes \$5,707,000 for 2005 and ~~\$30,811,000~~ \$32,929,000  
29.29 for 2006.

29.30

30.1 The 2007 appropriation includes ~~\$5,737,000~~ \$3,658,000 for 2006 and ~~\$30,803,000~~  
 30.2 \$33,906,000 for 2007.

30.3

30.4 **Sec. 38. ADULT LITERACY GRANTS FOR RECENT IMMIGRANTS TO**  
 30.5 **MINNESOTA.**

30.6 **Subdivision 1. Establishment.** An adult literacy grant program for recent  
 30.7 immigrants to Minnesota is established in fiscal years 2007 and 2008 only in order to  
 30.8 meet the English language needs of the unanticipated refugees and immigrants to the  
 30.9 state of Minnesota.

30.10 **Subd. 2. Grants.** The commissioner of education shall consult adult basic  
 30.11 education service providers in establishing the form and manner of the grant program.  
 30.12 The commissioner shall award grants to organizations providing adult literacy services in  
 30.13 order to help offset the additional costs due to unanticipated high enrollments of recent  
 30.14 refugees and immigrants.

30.15 **Sec. 39. EARLY CHILDHOOD AND EARLY ELEMENTARY GRADE**  
 30.16 **INTEGRATION.**

30.17 For fiscal years 2007 through 2010, a school district, charter school, Head Start  
 30.18 program, or any relevant public or private entity may work together to develop a pilot  
 30.19 program to demonstrate the efficacy of integrating early childhood education and care with  
 30.20 early elementary grades. A district, charter school, or Head Start program that develops  
 30.21 an early childhood integration pilot program must use existing funds to pay for the pilot  
 30.22 program's cost. School districts, charter schools, Head Start programs, and public or  
 30.23 private entities that participate in this pilot program are encouraged to enter into an  
 30.24 agreement to provide early education and care for children under a unified administrative  
 30.25 structure that establishes an education continuum for children during the prekindergarten,  
 30.26 kindergarten, and postkindergarten years through grade 3. School districts, charter  
 30.27 schools, Head Start programs, and public or private entities that participate in this pilot  
 30.28 program are encouraged to provide for the education, support, and empowerment of  
 30.29 parents and special education for children as needed.

30.30 **Sec. 40. STUDY; CERTIFICATION OF SCHOOL READINESS AND CHILD**  
 30.31 **CARE PROGRAMS.**

30.32 The commissioner of education, in consultation with the commissioner of human  
 30.33 services, shall contract with a qualified independent contractor to determine appropriate

31.1 criteria and structure for certifying child care programs and providers based on a high  
 31.2 quality school readiness component in the child care setting that adequately prepares  
 31.3 children for school.

31.4 The contractor must research appropriate criteria for certifying a program or  
 31.5 provider and the structure by which a program or provider would be certified, explore  
 31.6 specific service needs and unique resources available to individual communities, and  
 31.7 explore flexibility in implementing a program or provider plan that prepares children for  
 31.8 kindergarten. The contractor also must evaluate the impact of implementing a school  
 31.9 readiness component in child care settings on providers and families using certified child  
 31.10 care.

31.11 The commissioner of education must submit a written report of the contractor's  
 31.12 findings and any recommendations about appropriate criteria and structure for establishing  
 31.13 certified child care programs and providers to the senate and house of representatives  
 31.14 committees having jurisdiction over child care issues by December 15, 2006.

31.15 **EFFECTIVE DATE.** This section is effective the day following final enactment.

31.16 **Sec. 41. PARENT FEE SCHEDULE.**

31.17 Notwithstanding Minnesota Rules, part 3400.0100, subpart 4, the parent fee  
 31.18 schedule for the child care assistance program is as follows:

31.19	<u>Income Range (as a percentage of the</u>	<u>Co-payment (as a percentage of adjusted</u>
31.20	<u>federal poverty guidelines)</u>	<u>gross income)</u>
31.21	<u>0-74.99%</u>	<u>\$0/month</u>
31.22	<u>75.00-99.99%</u>	<u>\$5/month</u>
31.23	<u>100.00-104.99%</u>	<u>2.61%</u>
31.24	<u>105.00-109.99%</u>	<u>2.61%</u>
31.25	<u>110.00-114.99%</u>	<u>2.61%</u>
31.26	<u>115.00-119.99%</u>	<u>2.61%</u>
31.27	<u>120.00-124.99%</u>	<u>2.91%</u>
31.28	<u>125.00-129.99%</u>	<u>2.91%</u>
31.29	<u>130.00-134.99%</u>	<u>2.91%</u>
31.30	<u>135.00-139.99%</u>	<u>2.91%</u>
31.31	<u>140.00-144.99%</u>	<u>3.21%</u>
31.32	<u>145.00-149.99%</u>	<u>3.21%</u>

32.1	<u>150.00-154.99%</u>	<u>3.21%</u>
32.2	<u>155.00-159.99%</u>	<u>3.84%</u>
32.3	<u>160.00-164.99%</u>	<u>3.84%</u>
32.4	<u>165.00-169.99%</u>	<u>4.46%</u>
32.5	<u>170.00-174.99%</u>	<u>4.76%</u>
32.6	<u>175.00-179.99%</u>	<u>5.05%</u>
32.7	<u>180.00-184.99%</u>	<u>5.65%</u>
32.8	<u>185.00-189.99%</u>	<u>5.95%</u>
32.9	<u>190.00-194.99%</u>	<u>6.24%</u>
32.10	<u>195.00-199.99%</u>	<u>6.84%</u>
32.11	<u>200.00-204.99%</u>	<u>7.58%</u>
32.12	<u>205.00-209.99%</u>	<u>8.33%</u>
32.13	<u>210.00-214.99%</u>	<u>9.20%</u>
32.14	<u>215.00-219.99%</u>	<u>10.07%</u>
32.15	<u>220.00-224.99%</u>	<u>10.94%</u>
32.16	<u>225.00-229.99%</u>	<u>11.55%</u>
32.17	<u>230.00-234.99%</u>	<u>12.16%</u>
32.18	<u>235.00-239.99%</u>	<u>12.77%</u>
32.19	<u>240.00-244.99%</u>	<u>13.38%</u>
32.20	<u>245.00-249.99%</u>	<u>14.00%</u>
32.21	<u>250%</u>	<u>ineligible</u>

32.22 A family's monthly co-payment fee is the fixed percentage established for the  
 32.23 income range multiplied by the highest possible income within that income range.

32.24 EFFECTIVE DATE. This section is effective July 1, 2006.

32.25 Sec. 42. LEGISLATIVE COMMISSION TO END POVERTY IN MINNESOTA  
 32.26 BY 2020.

32.27 Subdivision 1. Membership. The Legislative Commission to End Poverty in  
 32.28 Minnesota by 2020 consists of nine members of the senate appointed by the Subcommittee  
 32.29 on Committees of the Committee on Rules and Administration, including four members of  
 32.30 the minority, and nine members of the house of representatives appointed by the speaker,

33.1 including four members of the minority. Appointments must be made by members elected  
33.2 to the 85th session of the legislature and no later than February 15, 2007. The governor  
33.3 may appoint two nonvoting members to sit with the commission.

33.4 Subd. 2. Guiding principles. In preparing recommendations on how to end poverty  
33.5 in Minnesota by 2020, the commission must be guided by the following principles:

33.6 (a) There should be a consistent and persistent approach that includes participation  
33.7 of people of faith, nonprofit agencies, government, and business.

33.8 (b) All people should be provided with those things that protect human dignity  
33.9 and make for a healthy life, including adequate food and shelter, meaningful work, safe  
33.10 communities, health care, and education.

33.11 (c) All people are intended to live well together as a whole community, seeking the  
33.12 common good, avoiding wide disparities between those who have too little to live on and  
33.13 those who have a disproportionate share of the nation's goods.

33.14 (d) All people need to work together to overcome poverty, and this work transcends  
33.15 both any particular political theory or party and any particular economic theory or  
33.16 structure. Overcoming poverty requires the use of private and public resources.

33.17 (e) Alliances are needed between the faith community, nonprofit agencies,  
33.18 government, business, and others with a commitment to overcoming poverty.

33.19 (f) Overcoming poverty involves both acts of direct service to alleviate the outcomes  
33.20 of poverty and advocacy to change those structures that result in people living in poverty.

33.21 (g) Government is neither solely responsible for alleviating poverty nor removed  
33.22 from that responsibility. Government is the vehicle by which people order their lives  
33.23 based on their shared vision. Society is well served when people bring their values into  
33.24 the public arena. This convergence around issues of poverty and the common good  
33.25 leads people of varying traditions to call on government to make a critical commitment  
33.26 to overcoming poverty.

33.27 Subd. 3. Report. The commission shall report its recommendations on how to end  
33.28 poverty in Minnesota by 2020 to the legislature by December 15, 2008.

33.29 Subd. 4. Expiration. The commission expires December 31, 2008.

33.30 **Sec. 43. RAMSEY COUNTY CHILD CARE PILOT PROJECT.**

33.31 Subdivision 1. Authorization for pilot project. The commissioner of human  
33.32 services shall approve a pilot project in Ramsey County that will help teen parents remain  
3 in school and complete the student's education while providing child care assistance for  
33.34 the student's child. The pilot project shall increase coordination between services from  
33.35 the Minnesota family investment program, the child care assistance program, and area

34.1 public schools with the goal of removing barriers that prevent teen parents from pursuing  
34.2 educational goals.

34.3 Subd. 2. Program design and implementation. The Ramsey County child care  
34.4 pilot project shall be established to improve the coordination of services to teen parents.

34.5 The pilot project shall:

34.6 (1) provide a streamlined process for sharing information between the Minnesota  
34.7 family investment program under Minnesota Statutes, chapter 256J, the child care  
34.8 assistance program under Minnesota Statutes, chapter 119B, and public schools in  
34.9 Ramsey County;

34.10 (2) determine eligibility for child care assistance using the teen parent's eligibility  
34.11 for reduced-cost or free school lunches in place of income verification; and

34.12 (3) waive the child care parent fee under Minnesota Statutes, section 119B.12,  
34.13 subdivision 2, for teen parents whose income is below poverty level and whose children  
34.14 attend school-based child care centers.

34.15 Subd. 3. Costs. Increased costs incurred under this section shall not increase the  
34.16 basic sliding fee appropriation and shall not affect funds available for distribution under  
34.17 Minnesota Statutes, sections 119B.06 and 119B.08.

34.18 **Sec. 44. APPROPRIATIONS.**

34.19 Subdivision 1. Department of Education. The sums indicated in this section are  
34.20 appropriated from the general fund to the Department of Education, unless otherwise  
34.21 specified, for the fiscal years designated.

34.22 Subd. 2. School readiness and child care programs study. For a school readiness  
34.23 and child care programs study under section 40:

34.24 \$ 75,000       .....       2007

34.25 This is a onetime appropriation.

34.26 Subd. 3. Head Start/child care partnerships study. For a grant to the Minnesota  
34.27 Early Learning Foundation to study partnerships between Head Start and child care  
34.28 providers under Minnesota Statutes, section 124D.175, paragraph (d):

34.29 \$ 25,000       .....       2007

34.30 This is a onetime appropriation.

34.31 Subd. 4. Educate parents partnership. For the educate parents partnership under  
34.32 Minnesota Statutes, section 124D.129:

34.33 \$ 80,000       .....       2007

35.1 The base for this program in fiscal year 2008 and later is \$50,000.

35.2 Subd. 5. Kindergarten entrance assessment initiative and intervention

35.3 program. For the kindergarten entrance assessment initiative and intervention program

35.4 under Minnesota Statutes, section 124D.136:

35.5 \$ 258,000 ..... 2007

35.6 Subd. 6. Early childhood Part C. For the expansion of early childhood Part C

35.7 services:

35.8 \$ 1,049,000 ..... 2007

35.9 Subd. 7. Adult literacy grants for recent immigrants. For adult literacy grants for

35.10 recent immigrants to Minnesota under section 38:

35.11 \$ 1,500,000 ..... 2007

35.12 The base for this program is \$1,500,000 in fiscal year 2008 and \$0 in fiscal year 2009.

35.13 Subd. 8. NorthStar Quality Improvement and Rating System. For a grant to the

35.14 Minnesota Early Learning Foundation for the NorthStar Quality Improvement and Rating

35.15 System under Minnesota Statutes, section 124D.175, paragraph (c):

35.16 \$ 1,500,000 ..... 2007

35.17 This appropriation must be used to implement phase one of the NorthStar Quality

35.18 Improvement and Rating System including start-up costs, participation of 200 providers,

35.19 parent information, and materials and evaluation by the Minnesota Early Learning

35.20 Foundation in consultation with the University of Minnesota.

35.21 This onetime appropriation is available to June 30, 2008.

35.22 Subd. 9. Legislative Commission to End Poverty by 2020. To the Legislative

35.23 Coordinating Commission for the Legislative Commission to End Poverty by 2020 under

35.24 section 42:

35.25 \$ 250,000 ..... 2007

35.26 Sec. 45. REPEALER.

35.27 Minnesota Statutes 2004, section 119A.51, and Minnesota Statutes 2005

35.28 Supplement, section 119B.13, subdivision 7, and Laws 2003, First Special Session chapter

35.29 14, article 9, section 36, are repealed.



## ARTICLE 3

## GENERAL EDUCATION

36.1  
36.2

36.3 Section 1. Minnesota Statutes 2004, section 120A.20, subdivision 1, is amended to  
36.4 read:

36.5 Subdivision 1. **Age limitations; pupils.** (a) All schools supported in whole or  
36.6 in part by state funds are public schools. Admission to a public school is free to any  
36.7 person who: (1) resides within the district that operates the school; ~~who~~; (2) is under 21  
36.8 years of age; or who meets the requirements of paragraph (c); and ~~who~~ (3) satisfies the  
36.9 minimum age requirements imposed by this section. Notwithstanding the provisions of  
36.10 any law to the contrary, the conduct of all students under 21 years of age attending a  
36.11 public secondary school is governed by a single set of reasonable rules and regulations  
36.12 promulgated by the school board.

36.13 ~~No~~ (b) A person shall not be admitted to ~~any~~ a public school (1) as a kindergarten  
36.14 pupil, unless the pupil is at least five years of age on September 1 of the calendar year in  
36.15 which the school year for which the pupil seeks admission commences; or (2) as a 1st  
36.16 grade student, unless the pupil is at least six years of age on September 1 of the calendar  
36.17 year in which the school year for which the pupil seeks admission commences or has  
36.18 completed kindergarten; except that any school board may establish a policy for admission  
36.19 of selected pupils at an earlier age.

36.20 (c) A pupil who becomes age 21 after enrollment is eligible for continued free public  
36.21 school enrollment until at least one of the following occurs: (1) the first September 1 after  
36.22 the pupil's 21st birthday; (2) the pupil's completion of the graduation requirements; (3)  
36.23 the pupil's withdrawal with no subsequent enrollment within 21 calendar days; or (4)  
36.24 the end of the school year.

36.25 Sec. 2. Minnesota Statutes 2005 Supplement, section 122A.415, subdivision 1, is  
36.26 amended to read:

36.27 Subdivision 1. **Revenue amount.** (a) A school district, intermediate school district,  
36.28 school site, or charter school that meets the conditions of section 122A.414 and submits an  
36.29 application approved by the commissioner is eligible for alternative teacher compensation  
36.30 revenue.

36.31 (b) For school district and intermediate school district applications, the commissioner  
36.32 must consider only those applications to participate that are submitted jointly by a  
36.33 district and the exclusive representative of the teachers. The application must contain an  
36.34 alternative teacher professional pay system agreement that:

37.1 (1) implements an alternative teacher professional pay system consistent with  
37.2 section 122A.414; and

37.3 (2) is negotiated and adopted according to the Public Employment Labor Relations  
37.4 Act under chapter 179A, except that notwithstanding section 179A.20, subdivision 3, a  
37.5 district may enter into a contract for a term of two or four years.

37.6 Alternative teacher compensation revenue for a qualifying school district or site in  
37.7 which the school board and the exclusive representative of the teachers agree to place  
37.8 teachers in the district or at the site on the alternative teacher professional pay system  
37.9 equals \$260 times the ratio of the formula allowance for the current fiscal year to the  
37.10 formula allowance for fiscal year 2007 times the number of pupils enrolled at the district  
37.11 or site on October 1 of the previous fiscal year. Alternative teacher compensation revenue  
37.12 for a qualifying intermediate school district must be calculated under section 126C.10,  
37.13 subdivision 34, paragraphs (a) and (b).

37.14 (c) For a newly combined or consolidated district, the revenue shall be computed  
37.15 using the sum of pupils enrolled on October 1 of the previous year in the districts entering  
37.16 into the combination or consolidation. The commissioner may adjust the revenue  
37.17 computed for a site using prior year data to reflect changes attributable to school closings,  
37.18 school openings, or grade level reconfigurations between the prior year and the current  
37.19 year.

37.20 (d) The revenue is available only to school districts, intermediate school districts,  
37.21 school sites, and charter schools that fully implement an alternative teacher professional  
37.22 pay system by October 1 of the current school year.

37.23 (e) The revenue must be maintained in a reserve account within the general fund.

37.24 Sec. 3. Minnesota Statutes 2005 Supplement, section 122A.415, subdivision 3, is  
37.25 amended to read:

37.26 Subd. 3. **Revenue timing.** (a) Districts, intermediate school districts, school sites,  
37.27 or charter schools with approved applications must receive alternative compensation  
37.28 revenue for each school year that the district, intermediate school district, school site,  
37.29 or charter school implements an alternative teacher professional pay system under this  
37.30 subdivision and section 122A.414. For fiscal year 2007 and later, a qualifying district,  
37.31 intermediate school district, school site, or charter school that received alternative teacher  
37.32 compensation aid for the previous fiscal year must receive at least an amount of alternative  
37.33 teacher compensation revenue equal to the lesser of the amount it received for the previous  
37.34 fiscal year or the amount it qualifies for under subdivision 1 for the current fiscal year if  
37.35 the district, intermediate school district, school site, or charter school submits a timely

38.1 application and the commissioner determines that the district, intermediate school district,  
38.2 school site, or charter school continues to implement an alternative teacher professional  
38.3 pay system, consistent with its application under this section.

38.4 (b) The commissioner shall approve applications that comply with subdivision 1,  
38.5 and section 122A.414, subdivisions 2, paragraph (b), and 2a, if the applicant is a charter  
38.6 school, in the order in which they are received, select applicants that qualify for this  
38.7 program, notify school districts, intermediate school districts, school sites, and charter  
38.8 schools about the program, develop and disseminate application materials, and carry out  
38.9 other activities needed to implement this section.

38.10 (c) For applications approved under this section before August 1 of the fiscal year for  
38.11 which the aid is paid, the portion of the state total basic alternative teacher compensation  
38.12 aid entitlement allocated to charter schools must not exceed \$522,000 for fiscal year  
38.13 2006 and \$3,374,000 for fiscal year 2007. For fiscal year 2008 and later, the portion of  
38.14 the state total basic alternative teacher compensation aid entitlement allocated to charter  
38.15 schools must not exceed the product of \$3,374,000 times the ratio of the state total charter  
38.16 school enrollment for the previous fiscal year to the state total charter school enrollment  
38.17 for the second previous year fiscal year 2006 times the ratio of the formula allowance for  
38.18 the current fiscal year to the formula allowance for fiscal year 2007. Additional basic  
38.19 alternative teacher compensation aid may be approved for charter schools after August 1,  
38.20 not to exceed the charter school limit for the following fiscal year, if the basic alternative  
38.21 teacher compensation aid entitlement for school districts and intermediate school districts  
38.22 based on applications approved by August 1 does not expend the remaining amount under  
38.23 the limit.

38.24 Sec. 4. Minnesota Statutes 2004, section 123A.06, subdivision 2, is amended to read:

38.25 Subd. 2. **People to be served.** A center shall provide programs for secondary  
38.26 pupils and adults. A center may also provide programs and services for elementary and  
38.27 secondary pupils who are not attending the center to assist them in being successful in  
38.28 school. A center shall use research-based best practices for serving limited English  
38.29 proficient students and their parents. An individual education plan team may identify a  
38.30 center as an appropriate placement to the extent a center can provide the student with the  
38.31 appropriate special education services described in the student's plan. Pupils eligible to  
38.32 be served are those ~~age five to adults 22 and older~~ who qualify under the graduation  
38.33 incentives program in section 124D.68, subdivision 2, those enrolled under section  
38.34 124D.02, subdivision 2, or those pupils who are eligible to receive special education  
38.35 services under sections 125A.03 to 125A.24, and 125A.65.

39.1 Sec. 5. Minnesota Statutes 2005 Supplement, section 123B.76, subdivision 3, is  
 39.2 amended to read:

39.3 Subd. 3. **Expenditures by building.** (a) For the purposes of this section, "building"  
 39.4 means education site as defined in section 123B.04, subdivision 1.

39.5 (b) Each district shall maintain separate accounts to identify general fund  
 39.6 expenditures for each building. All expenditures for regular instruction, secondary  
 39.7 vocational instruction, and school administration must be reported to the department  
 39.8 separately for each building. All expenditures for special education instruction,  
 39.9 instructional support services, and pupil support services provided within a specific  
 39.10 building must be reported to the department separately for each building. Salary  
 39.11 expenditures reported by building must reflect actual salaries for staff at the building and  
 39.12 must not be based on districtwide averages. All other general fund expenditures may be  
 39.13 reported by building or on a districtwide basis.

39.14 (c) The department must annually report information showing school district general  
 39.15 fund expenditures per pupil by program category for each building and estimated school  
 39.16 district general fund revenue generated by pupils attending each building on its Web  
 39.17 site. For purposes of this report:

39.18 (1) expenditures not reported by building shall be allocated among buildings on a  
 39.19 uniform per pupil basis;

39.20 (2) basic skills revenue shall be allocated according to section 126C.10, subdivision  
 39.21 4;

39.22 (3) secondary sparsity revenue and elementary sparsity revenue shall be allocated  
 39.23 according to section 126C.10, subdivisions 7 and 8;

39.24 (4) alternative teacher compensation revenue shall be allocated according to section  
 39.25 122A.415, subdivision 1;

39.26 (5) other general education revenue shall be allocated on a uniform per pupil unit  
 39.27 basis;

39.28 ~~(5)~~ (6) first grade preparedness aid shall be allocated according to section 124D.081;

39.29 ~~(6)~~ (7) state and federal special education aid and Title I aid shall be allocated in  
 39.30 proportion to district expenditures for these programs by building; and

39.31 ~~(7)~~ (8) other general fund revenues shall be allocated on a uniform per pupil basis,  
 39.32 except that the department may allocate other revenues attributable to specific buildings  
 39.33 directly to those buildings.

39.34 Sec. 6. Minnesota Statutes 2004, section 124D.02, subdivision 2, is amended to read:

40.1 Subd. 2. **Secondary school programs.** The board may permit a person who is over  
 40.2 the age of 21 or who has graduated from high school to enroll ~~as a part-time student~~ in a  
 40.3 class or program at a secondary school if there is space available. In determining if there is  
 40.4 space available, ~~full-time public school students;~~ eligible for free enrollment under section  
 40.5 120A.20, subdivision 1, and shared-time students shall be given priority over students  
 40.6 seeking enrollment pursuant to this subdivision, and students returning to complete a  
 40.7 regular course of study shall be given priority over ~~part-time other~~ students seeking  
 40.8 enrollment pursuant to this subdivision. The following are not prerequisites for enrollment:

- 40.9 (1) residency in the school district;  
 40.10 (2) United States citizenship; or  
 40.11 (3) for a person over the age of 21, a high school diploma or equivalency certificate.

40.12 A person may enroll in a class or program even if that person attends evening school, an  
 40.13 adult or continuing education, or a postsecondary educational program or institution.

40.14 Sec. 7. Minnesota Statutes 2004, section 124D.02, subdivision 4, is amended to read:

40.15 Subd. 4. **Part-time student fee.** Notwithstanding the provisions of sections  
 40.16 120A.20 and 123B.37, a board may charge a ~~part-time student~~ enrolled pursuant to  
 40.17 subdivision 2 a reasonable fee for a class or program.

40.18 Sec. 8. Minnesota Statutes 2005 Supplement, section 124D.68, subdivision 2, is  
 40.19 amended to read:

40.20 Subd. 2. **Eligible pupils.** ~~The following pupils are~~ A pupil under the age of 21 or  
 40.21 who meets the requirements of section 120A.20, subdivision 1, paragraph (c), is eligible to  
 40.22 participate in the graduation incentives program:

40.23 ~~(a) any pupil under the age of 21 who,~~ if the pupil:

- 40.24 (1) performs substantially below the performance level for pupils of the same age  
 40.25 in a locally determined achievement test;  
 40.26 (2) is at least one year behind in satisfactorily completing coursework or obtaining  
 40.27 credits for graduation;  
 40.28 (3) is pregnant or is a parent;  
 40.29 (4) has been assessed as chemically dependent;  
 40.30 (5) has been excluded or expelled according to sections 121A.40 to 121A.56;  
 40.31 (6) has been referred by a school district for enrollment in an eligible program or  
 40.32 a program pursuant to section 124D.69;  
 40.33 (7) is a victim of physical or sexual abuse;  
 40.34 (8) has experienced mental health problems;

41.1 (9) has experienced homelessness sometime within six months before requesting a  
 41.2 transfer to an eligible program;

41.3 (10) speaks English as a second language or has limited English proficiency; or

41.4 (11) has withdrawn from school or has been chronically truant; ~~or.~~

41.5 ~~(b) any person who is at least 21 years of age and who:~~

41.6 ~~(1) has received fewer than 14 years of public or nonpublic education, beginning~~  
 41.7 ~~at age 5;~~

41.8 ~~(2) has not completed the requirements for a high school diploma; and~~

41.9 ~~(3) at the time of application, (i) is eligible for unemployment benefits or has~~

41.10 ~~exhausted the benefits, (ii) is eligible for, or is receiving income maintenance and support~~

41.11 ~~services, as defined in section 116L.19, subdivision 5, or (iii) is eligible for services under~~

41.12 ~~the displaced homemaker program or any programs under the federal Jobs Training~~

41.13 ~~Partnership Act or its successor.~~

41.14 Sec. 9. Minnesota Statutes 2004, section 124D.68, subdivision 3, is amended to read:

41.15 Subd. 3. **Eligible programs.** (a) A pupil who is eligible according to subdivision 2  
 41.16 may enroll in area learning centers under sections 123A.05 to 123A.08.

41.17 (b) A pupil who is eligible according to subdivision 2 and who is between the ages  
 41.18 of 16 and 21 may enroll in postsecondary courses under section 124D.09.

41.19 (c) A pupil who is eligible under subdivision 2, may enroll in any public elementary  
 41.20 or secondary education program. ~~However, a person who is eligible according to~~  
 41.21 ~~subdivision 2, clause (b), may enroll only if the school board has adopted a resolution~~  
 41.22 ~~approving the enrollment.~~

41.23 (d) A pupil who is eligible under subdivision 2, may enroll in any nonpublic,  
 41.24 nonsectarian school that has contracted with the serving school district to provide  
 41.25 educational services.

41.26 (e) A pupil who is between the ages of 16 and 21 may enroll in any adult basic  
 41.27 education programs approved under section 124D.52 and operated under the community  
 41.28 education program contained in section 124D.19.

41.29 Sec. 10. Minnesota Statutes 2004, section 126C.05, subdivision 1, is amended to read:

41.30 Subdivision 1. **Pupil unit.** Pupil units for each Minnesota resident pupil under the  
 41.31 age of 21 or who meets the requirements of section 120A.20, subdivision 1, paragraph  
 41.32 (c), in average daily membership enrolled in the district of residence, in another district  
 41.33 under sections 123A.05 to 123A.08, 124D.03, 124D.06, 124D.07, 124D.08, or 124D.68;  
 41.34 in a charter school under section 124D.10; or for whom the resident district pays tuition

42.1 under section 123A.18, 123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88,  
42.2 subdivision 4, 124D.04, 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65, shall be  
42.3 counted according to this subdivision.

42.4 (a) A prekindergarten pupil with a disability who is enrolled in a program approved  
42.5 by the commissioner and has an individual education plan is counted as the ratio of the  
42.6 number of hours of assessment and education service to 825 times 1.25 with a minimum  
42.7 average daily membership of 0.28, but not more than 1.25 pupil units.

42.8 (b) A prekindergarten pupil who is assessed but determined not to be handicapped is  
42.9 counted as the ratio of the number of hours of assessment service to 825 times 1.25.

42.10 (c) A kindergarten pupil with a disability who is enrolled in a program approved  
42.11 by the commissioner is counted as the ratio of the number of hours of assessment and  
42.12 education services required in the fiscal year by the pupil's individual education program  
42.13 plan to 875, but not more than one.

42.14 (d) A kindergarten pupil who is not included in paragraph (c) is counted as .557 of a  
42.15 pupil unit for fiscal year 2000 and thereafter.

42.16 (e) A pupil who is in any of grades 1 to 3 is counted as 1.115 pupil units for fiscal  
42.17 year 2000 and thereafter.

42.18 (f) A pupil who is any of grades 4 to 6 is counted as 1.06 pupil units for fiscal  
42.19 year 1995 and thereafter.

42.20 (g) A pupil who is in any of grades 7 to 12 is counted as 1.3 pupil units.

42.21 (h) A pupil who is in the postsecondary enrollment options program is counted  
42.22 as 1.3 pupil units.

42.23 Sec. 11. Minnesota Statutes 2004, section 126C.10, subdivision 6, is amended to read:

42.24 Subd. 6. **Definitions.** The definitions in this subdivision apply only to subdivisions  
42.25 7 and 8.

42.26 (a) "High school" means a public secondary school, except a charter school under  
42.27 section 124D.10, that has pupils enrolled in at least the 10th, 11th, and 12th grades. If  
42.28 there is no secondary high school in the district ~~that has pupils enrolled in at least the~~  
42.29 ~~10th, 11th, and 12th grades~~, and the school is at least 19 miles from the next nearest  
42.30 school, the commissioner must designate one school in the district as a high school for the  
42.31 purposes of this section.

42.32 (b) "Secondary average daily membership" means, for a district that has only one  
42.33 high school, the average daily membership of pupils served in grades 7 through 12. For a  
42.34 district that has more than one high school, "secondary average daily membership" for  
42.35 each high school means the product of the average daily membership of pupils served in

43.1 grades 7 through 12 in the high school, times the ratio of six to the number of grades  
43.2 in the high school.

43.3 (c) "Attendance area" means the total surface area of the district, in square miles,  
43.4 divided by the number of high schools in the district. For a district that does not operate  
43.5 a high school and is less than 19 miles from the nearest operating high school, the  
43.6 attendance area equals zero.

43.7 (d) "Isolation index" for a high school means the square root of 55 percent of the  
43.8 attendance area plus the distance in miles, according to the usually traveled routes,  
43.9 between the high school and the nearest high school. For a district in which there is located  
43.10 land defined in section 84A.01, 84A.20, or 84A.31, the distance in miles is the sum of:

43.11 (1) the square root of one-half of the attendance area; and

43.12 (2) the distance from the border of the district to the nearest high school.

43.13 (e) "Qualifying high school" means a high school that has an isolation index greater  
43.14 than 23 and that has secondary average daily membership of less than 400.

43.15 (f) "Qualifying elementary school" means an a public elementary school, except a  
43.16 charter school under section 124D.10, that is located 19 miles or more from the nearest  
43.17 elementary school or from the nearest elementary school within the district and, in either  
43.18 case, has an elementary average daily membership of an average of 20 or fewer per grade.

43.19 (g) "Elementary average daily membership" means, for a district that has only  
43.20 one elementary school, the average daily membership of pupils served in kindergarten  
43.21 through grade 6. For a district that has more than one elementary school, "average daily  
43.22 membership" for each school means the average daily membership of pupils served in  
43.23 kindergarten through grade 6 multiplied by the ratio of seven to the number of grades  
43.24 in the elementary school.

43.25 Sec. 12. Minnesota Statutes 2005 Supplement, section 126C.10, subdivision 31,  
43.26 is amended to read:

43.27 Subd. 31. **Transition revenue.** (a) A district's transition allowance equals the  
43.28 greater of zero or the product of the ratio of the number of adjusted marginal cost pupil  
43.29 units the district would have counted for fiscal year 2004 under Minnesota Statutes 2002  
43.30 to the district's adjusted marginal cost pupil units for fiscal year 2004, times the difference  
43.31 between: (1) the lesser of the district's general education revenue per adjusted marginal  
43.32 cost pupil unit for fiscal year 2003 or the amount of general education revenue the district  
43.33 would have received per adjusted marginal cost pupil unit for fiscal year 2004 according  
43.34 to Minnesota Statutes 2002, and (2) the district's general education revenue for fiscal year



44.1 2004 excluding transition revenue divided by the number of adjusted marginal cost pupil  
44.2 units the district would have counted for fiscal year 2004 under Minnesota Statutes 2002.

44.3 (b) A district's transition revenue for fiscal year 2006 and later equals the sum of  
44.4 ~~(1) the product of the district's transition allowance times the district's adjusted marginal~~  
44.5 ~~cost pupil units plus (2) the amount of referendum revenue under section 126C.17 and~~  
44.6 ~~general education revenue, excluding transition revenue, for fiscal year 2004 attributable~~  
44.7 ~~to pupils four or five years of age on September 1, 2003, enrolled in a prekindergarten~~  
44.8 ~~program implemented by the district before July 1, 2003, and reported as kindergarten~~  
44.9 ~~pupils under section 126C.05, subdivision 1, for fiscal year 2004, plus (3) the amount of~~  
44.10 ~~compensatory education revenue under subdivision 3 for fiscal year 2005 attributable to~~  
44.11 ~~pupils four years of age on September 1, 2003, enrolled in a prekindergarten program~~  
44.12 ~~implemented by the district before July 1, 2003, and reported as kindergarten pupils~~  
44.13 ~~under section 126C.05, subdivision 1, for fiscal year 2004 multiplied by .04~~ the district's  
44.14 transition for prekindergarten revenue under subdivision 31a.

44.15 EFFECTIVE DATE. This section is effective for revenue for fiscal year 2007  
44.16 and later.

44.17 Sec. 13. Minnesota Statutes 2004, section 126C.10, is amended by adding a  
44.18 subdivision to read:

44.19 Subd. 31a. Transition for prekindergarten revenue. For fiscal year 2007 and  
44.20 later, a school district's transition for prekindergarten revenue equals the sum of (1) the  
44.21 amount of referendum revenue under section 126C.17 and general education revenue,  
44.22 excluding transition revenue, for fiscal year 2004 attributable to pupils four or five years  
44.23 of age on September 1, 2003, enrolled in a prekindergarten program implemented by the  
44.24 district before July 1, 2003, and reported as kindergarten pupils under section 126C.05,  
44.25 subdivision 1, for fiscal year 2004, plus (2) the amount of compensatory education  
44.26 revenue under subdivision 3 for fiscal year 2005 attributable to pupils four years of  
44.27 age on September 1, 2003, enrolled in a prekindergarten program implemented by the  
44.28 district before July 1, 2003, and reported as kindergarten pupils under section 126C.05,  
44.29 subdivision 1, for fiscal year 2004 multiplied by .04.

44.30 EFFECTIVE DATE. This section is effective for revenue for fiscal year 2007  
44.31 and later.

44.32 Sec. 14. Minnesota Statutes 2004, section 126C.10, is amended by adding a  
44.33 subdivision to read:

45.1 Subd. 31b. Uses of transition for prekindergarten revenue. A school district that  
 45.2 receives revenue under subdivision 31a must reserve that revenue for prekindergarten  
 45.3 programs serving students who turn age four by September 1 and who will enter  
 45.4 kindergarten the following year.

45.5 EFFECTIVE DATE. This section is effective for fiscal year 2007 and later.

45.6 Sec. 15. Minnesota Statutes 2005 Supplement, section 126C.10, subdivision 34,  
 45.7 is amended to read:

45.8 **Subd. 34. Basic alternative teacher compensation aid.** (a) For fiscal year 2006,  
 45.9 the basic alternative teacher compensation aid for a school district or an intermediate  
 45.10 school district with a plan approved under section 122A.414, subdivision 2b, equals the  
 45.11 alternative teacher compensation revenue under section 122A.415, subdivision 1. The  
 45.12 basic alternative teacher compensation aid for a charter school with an approved plan  
 45.13 under section 122A.414, subdivision 2b, equals \$260 times the number of pupils enrolled  
 45.14 in the school on October 1 of the previous school year, or on October 1 of the current  
 45.15 fiscal year for a charter school in the first year of operation.

45.16 (b) For fiscal year 2007 ~~and later~~, the basic alternative teacher compensation aid  
 45.17 for a school district with a plan approved under section 122A.414, subdivision 2b, equals  
 45.18 73.1 percent of the alternative teacher compensation revenue under section 122A.415,  
 45.19 subdivision 1. The basic alternative teacher compensation aid for an intermediate school  
 45.20 district or charter school with a plan approved under section 122A.414, subdivisions 2a  
 45.21 and 2b, if the recipient is a charter school, equals \$260 times the number of pupils enrolled  
 45.22 in the school on October 1 of the previous fiscal year, or on October 1 of the current fiscal  
 45.23 year for a charter school in the first year of operation, times the ratio of the sum of the  
 45.24 alternative teacher compensation aid and alternative teacher compensation levy for all  
 45.25 participating school districts to the maximum alternative teacher compensation revenue  
 45.26 for those districts under section 122A.415, subdivision 1.

45.27 (c) For fiscal year 2008 and later, the basic alternative teacher compensation aid for  
 45.28 a school district with a plan approved under section 122A.414, subdivision 2b, equals the  
 45.29 alternative teacher compensation revenue under section 122A.415, subdivision 1, minus  
 45.30 \$69.94 times the number of pupils enrolled at participating sites on October 1 of the  
 45.31 previous fiscal year. The basic alternative teacher compensation aid for an intermediate  
 45.32 school district or charter school with a plan approved under section 122A.414, subdivisions  
 45.33 2a and 2b, if the recipient is a charter school, equals \$260 times the ratio of the formula  
 45.34 allowance for the current fiscal year to the formula allowance for fiscal year 2007 times  
 45.35 the number of pupils enrolled in the school on October 1 of the previous fiscal year, or on

46.1 October 1 of the current fiscal year for a charter school in the first year of operation, times  
 46.2 the ratio of the sum of the alternative teacher compensation aid and alternative teacher  
 46.3 compensation levy for all participating school districts to the maximum alternative teacher  
 46.4 compensation revenue for those districts under section 122A.415, subdivision 1.

46.5 (d) Notwithstanding paragraphs (a) and (b), and (c) and section 122A.415,  
 46.6 subdivision 1, the state total basic alternative teacher compensation aid entitlement  
 46.7 must not exceed \$19,329,000 for fiscal year 2006 and \$75,636,000 for fiscal year 2007  
 46.8 and later, and, for fiscal year 2008 and later, \$75,636,000 times the ratio of the formula  
 46.9 allowance for the current fiscal year to the formula allowance for fiscal year 2007. The  
 46.10 commissioner must limit the amount of alternative teacher compensation aid approved  
 46.11 under ~~section~~ sections 122A.415 and 122A.416 so as not to exceed these limits.

46.12 Sec. 16. Minnesota Statutes 2005 Supplement, section 126C.43, subdivision 2, is  
 46.13 amended to read:

46.14 **Subd. 2. Payment to unemployment insurance program trust fund by state**  
 46.15 **and political subdivisions.** (a) A district may levy the amount necessary ~~(i)~~ (1) to pay  
 46.16 the district's obligations under section 268.052, subdivision 1, and ~~(ii)~~ (2) to pay for job  
 46.17 placement services offered to employees who may become eligible for benefits pursuant  
 46.18 to section 268.085 for the fiscal year the levy is certified.

46.19 (b) Districts with a balance remaining in their reserve for reemployment as of June  
 46.20 30, 2003, may not expend the reserved funds for future reemployment expenditures. Each  
 46.21 year a levy reduction must be made to return these funds to taxpayers. The amount of  
 46.22 the levy reduction must be equal to the lesser of: (1) the remaining reserved balance for  
 46.23 reemployment, or (2) the amount of the district's current levy under paragraph (a).

46.24 **EFFECTIVE DATE.** This section is effective the day following final enactment.

46.25 Sec. 17. Minnesota Statutes 2004, section 126C.44, is amended to read:

46.26 **126C.44 SAFE SCHOOLS LEVY.**

46.27 Each district may make a levy on all taxable property located within the district for  
 46.28 the purposes specified in this section. The maximum amount which may be levied for all  
 46.29 costs under this section shall be equal to \$27 multiplied by the district's adjusted marginal  
 46.30 cost pupil units for the school year. The proceeds of the levy must be reserved and used  
 46.31 for directly funding the following purposes or for reimbursing the cities and counties who  
 46.32 contract with the district for the following purposes: (1) to pay the costs incurred for the  
 46.33 salaries, benefits, and transportation costs of peace officers and sheriffs for liaison in

47.1 services in the district's schools; (2) to pay the costs for a drug abuse prevention program  
 47.2 as defined in section 609.101, subdivision 3, paragraph (e), in the elementary schools; (3)  
 47.3 to pay the costs for a gang resistance education training curriculum in the district's schools;  
 47.4 (4) to pay the costs for security in the district's schools and on school property; or (5) to  
 47.5 pay the costs for other crime prevention, drug abuse, student and staff safety, and violence  
 47.6 prevention measures taken by the school district. For expenditures under clause (1), the  
 47.7 district must initially attempt to contract for services to be provided by peace officers or  
 47.8 sheriffs with the police department of each city or the sheriff's department of the county  
 47.9 within the district containing the school receiving the services. If a local police department  
 47.10 or a county sheriff's department does not wish to provide the necessary services, the  
 47.11 district may contract for these services with any other police or sheriff's department  
 47.12 located entirely or partially within the school district's boundaries. ~~The levy authorized~~  
 47.13 ~~under this section is not included in determining the school district's levy limitations.~~

47.14 **EFFECTIVE DATE. This section is effective for revenue for fiscal year 2006.**

47.15 Sec. 18. Minnesota Statutes 2005 Supplement, section 127A.45, subdivision 10,  
 47.16 is amended to read:

47.17 Subd. 10. **Payments to school nonoperating funds.** Each fiscal year state general  
 47.18 fund payments for a district nonoperating fund must be made at the current year aid  
 47.19 payment percentage of the estimated entitlement during the fiscal year of the entitlement.  
 47.20 This amount shall be paid in 12 equal monthly installments. The amount of the actual  
 47.21 entitlement, after adjustment for actual data, minus the payments made during the fiscal  
 47.22 year of the entitlement must be paid prior to October 31 of the following school year. The  
 47.23 commissioner may make advance payments of debt service equalization aid and state-paid  
 47.24 tax credits for a district's debt service fund earlier than would occur under the preceding  
 47.25 schedule if the district submits evidence showing a serious cash flow problem in the fund.  
 47.26 The commissioner may make earlier payments during the year and, if necessary, increase  
 47.27 the percent of the entitlement paid to reduce the cash flow problem.

47.28 **EFFECTIVE DATE. This section is effective the day following final enactment.**

47.29 Sec. 19. Laws 2005, First Special Session chapter 5, article 1, section 47, is amended  
 47.30 to read:

47.31 1 Sec. 47. **ALTERNATIVE TEACHER COMPENSATION REVENUE**  
 47.32 **GUARANTEE.**

48.1 Notwithstanding Minnesota Statutes, sections 122A.415, subdivision 1, and  
 48.2 126C.10, subdivision 34, paragraphs (a) and (b), a school district that received alternative  
 48.3 teacher compensation aid for fiscal year 2005, but does not qualify for alternative  
 48.4 teacher compensation revenue for all sites in the district for fiscal year 2006 ~~or~~, 2007,  
 48.5 2008, or 2009, shall receive additional basic alternative teacher compensation aid for  
 48.6 that fiscal year equal to the lesser of the amount of alternative teacher compensation  
 48.7 aid it received for fiscal year 2005 or the amount it would have received for that fiscal  
 48.8 year under Minnesota Statutes 2004, section 122A.415, subdivision 1, for teachers at  
 48.9 sites not qualifying for alternative teacher compensation revenue for that fiscal year, if  
 48.10 the district submits a timely application and the commissioner determines that the district  
 48.11 continues to implement an alternative teacher compensation system, consistent with its  
 48.12 application under Minnesota Statutes 2004, section 122A.415, for fiscal year 2005. The  
 48.13 additional basic alternative teacher compensation aid under this section must not be used  
 48.14 in calculating the alternative teacher compensation levy under Minnesota Statutes, section  
 48.15 126C.10, subdivision 35. This section applies only to fiscal years 2006 ~~and 2007~~ through  
 48.16 2009 and does not apply to later fiscal years.

48.17 Sec. 20. Laws 2005, First Special Session chapter 5, article 1, section 54, subdivision  
 48.18 2, is amended to read:

48.19 Subd. 2. **General education aid.** For general education aid under Minnesota  
 48.20 Statutes, section 126C.13, subdivision 4:

48.21	<del>5,136,578,000</del>		
48.22	\$ <u>5,819,153,000</u>	.....	2006
48.23	<del>5,390,196,000</del>		
48.24	\$ <u>5,472,238,000</u>	.....	2007

48.25 The 2006 appropriation includes ~~\$784,978,000~~ \$787,978,000 for 2005 and  
 48.26 ~~\$4,351,600,000~~ \$5,031,175,000 for 2006.

48.27 The 2007 appropriation includes ~~\$817,588,000~~ \$513,848,000 for 2006 and  
 48.28 ~~\$4,572,608,000~~ \$4,958,390,000 for 2007.

48.29 **EFFECTIVE DATE.** This section is effective the day following final enactment.

48.30 Sec. 21. **ALTERNATIVE TEACHER COMPENSATION REVENUE FOR**  
 48.31 **SPECIAL SCHOOL DISTRICT NO. 6, SOUTH ST. PAUL.**

48.32 Notwithstanding Minnesota Statutes, sections 122A.413, 122A.414, 122A.415,  
 48.33 and 126C.10, Special School District No. 6, South St. Paul, shall be eligible for

49.1 alternative teacher compensation revenue under Minnesota Statutes, section 122A.415,  
49.2 for the elementary and middle years international baccalaureate pilot program. The  
49.3 revenue generated from the alternative teacher compensation program must be used  
49.4 for preinstructional startup costs, including staff, training, curriculum materials, and  
49.5 preparation costs.

49.6 EFFECTIVE DATE. This section is effective for revenue for fiscal years 2007  
49.7 through 2011.

49.8 **Sec. 22. ONETIME SUPPLEMENTAL AID.**

49.9 (a) For fiscal year 2007 only, a school district's onetime supplemental aid is equal to  
49.10 \$34.50 times its adjusted marginal cost pupil units. For fiscal year 2007 only, a charter  
49.11 school's onetime supplemental aid is equal to \$15 times its adjusted marginal cost pupil  
49.12 units.

49.13 (b) A district that receives revenue under Minnesota Statutes, section 126C.10,  
49.14 subdivision 31a, must reserve its onetime supplemental aid according to Minnesota  
49.15 Statutes, section 126C.10, subdivision 31b.

49.16 (c) A school district or charter school that does not receive revenue under Minnesota  
49.17 Statutes, section 126C.10, subdivision 31a, may use its onetime supplemental aid to  
49.18 reduce class sizes in kindergarten through grade 6, provide all-day kindergarten, reduce its  
49.19 statutory operating debt, pay for heating and fuel costs, pay for technology costs, provide  
49.20 prekindergarten programs serving students who turn age four by September 1 and who will  
49.21 enter kindergarten the following year, or provide limited English proficiency programs.

49.22 (d) If a district that is required to reserve its onetime supplemental aid under  
49.23 paragraph (b) adopts a school board resolution to reallocate its funds, the district may use  
49.24 its onetime supplemental aid according to paragraph (c). A district that adopts a board  
49.25 resolution to reallocate the onetime supplemental aid reserve under paragraph (b) must  
49.26 notify the commissioner of education.

49.27 (e) This aid is paid entirely in fiscal year 2007 based on estimated data. By January  
49.28 31, 2008, the Department of Education shall recalculate the aid for each district using  
49.29 actual data, and shall adjust the general education aid paid to school districts for fiscal year  
49.30 2008 by the amount of the difference between the estimated aid and the actual aid.

49.31 EFFECTIVE DATE. This section is effective for revenue for fiscal year 2007 only.

49.32 **Sec. 23. APPROPRIATION.**

50.1 Subdivision 1. Department of Education. The sum indicated in this section is  
50.2 appropriated from the general fund to the Department of Education for the fiscal year  
50.3 designated.

50.4 Subd. 2. Onetime supplemental aid. For onetime supplemental aid according  
50.5 to section 23:

50.6 § 32,229,000 ..... 2007

50.7 Sec. 24. REPEALER.

50.8 Minnesota Statutes 2004, section 120A.20, subdivision 3, is repealed.

50.9 **ARTICLE 4**  
50.10 **EDUCATION EXCELLENCE**

50.11 Section 1. Minnesota Statutes 2004, section 120A.22, subdivision 3, is amended to  
50.12 read:

50.13 Subd. 3. **Parent defined; residency determined.** (a) In this section and sections  
50.14 120A.24 and 120A.26, "parent" means a parent, guardian, or other person having legal  
50.15 custody of a child.

50.16 (b) In sections 125A.03 to 125A.24 and 125A.65, "parent" means a parent, guardian,  
50.17 or other person having legal custody of a child under age 18. For an unmarried pupil age  
50.18 18 or over, "parent" means the pupil unless a guardian or conservator has been appointed,  
50.19 in which case it means the guardian or conservator.

50.20 (c) For purposes of sections 125A.03 to 125A.24 and 125A.65, the school district of  
50.21 residence for an unmarried pupil age 18 or over who is a parent under paragraph (b) and  
50.22 who is placed in a center for care and treatment, shall be the school district in which the  
50.23 pupil's biological or adoptive parent or designated guardian resides.

50.24 (d) For a married pupil age 18 or over, the school district of residence is the school  
50.25 district in which the married pupil resides.

50.26 (e) If a district reasonably believes that a student does not meet the residency  
50.27 requirements of the school district in which the student is attending school, the student  
50.28 may be removed from the school only after the district sends the student's parents written  
50.29 notice of the district's belief, including the facts upon which the belief is based, and an  
50.30 opportunity to provide documentary evidence of residency in person to the superintendent  
50.31 or designee, or, at the option of the parents, by sending the documentary evidence to the  
50.32 superintendent, or a designee, who will then make a determination as to the residency  
50.33 status of the student.

51.1 Sec. 2. Minnesota Statutes 2004, section 120B.021, subdivision 1, is amended to read:

51.2 Subdivision 1. **Required academic standards.** The following subject areas are  
 51.3 required for statewide accountability:

51.4 (1) language arts;

51.5 (2) mathematics;

51.6 (3) science;

51.7 (4) social studies, including history, geography, economics, and government and  
 51.8 citizenship;

51.9 (5) health and physical education, for which locally developed academic standards  
 51.10 apply; and

51.11 (6) the arts, for which statewide or locally developed academic standards apply, as  
 51.12 determined by the school district. Public elementary and middle schools must offer at least  
 51.13 three and require at least two of the following four arts areas: dance; music; theater; and  
 51.14 visual arts. Public high schools must offer at least three and require at least one of the  
 51.15 following five arts areas: media arts; dance; music; theater; and visual arts.

51.16 The commissioner must submit proposed standards in science and social studies to  
 51.17 the legislature by February 1, 2004.

51.18 For purposes of applicable federal law, the academic standards for language arts,  
 51.19 mathematics, and science apply to all public school students, except the very few students  
 51.20 with extreme cognitive or physical impairments for whom an individualized education  
 51.21 plan team has determined that the required academic standards are inappropriate.

51.22 An individualized education plan team that makes this determination must establish  
 51.23 alternative standards.

51.24 A school district, no later than the 2007-2008 school year, must adopt graduation  
 51.25 requirements that meet or exceed state graduation requirements established in law or  
 51.26 rule. A school district that incorporates these state graduation requirements before the  
 51.27 2007-2008 school year must provide students who enter the 9th grade in or before  
 51.28 the 2003-2004 school year the opportunity to earn a diploma based on existing locally  
 51.29 established graduation requirements in effect when the students entered the 9th grade.  
 51.30 District efforts to develop, implement, or improve instruction or curriculum as a result  
 51.31 of the provisions of this section must be consistent with sections 120B.10, 120B.11,  
 51.32 and 120B.20.

51.33 At a minimum, school districts must maintain the same physical education and  
 51.34 health education requirements for students in kindergarten through grade 8 adopted for the  
 51.35 2005-2006 school year through the 2008-2009 school year. Before a revision of the local  
 51.36 health and physical education standards, a school district must consult the grade-specific



52.1 benchmarks developed by the Department of Education's health and physical education  
52.2 quality teaching network for the six national physical education standards and the seven  
52.3 national health standards.

52.4 The commissioner must include the contributions of Minnesota American Indian  
52.5 tribes and communities as they relate to each of the academic standards during the review  
52.6 and revision of the required academic standards.

52.7 Sec. 3. Minnesota Statutes 2005 Supplement, section 120B.021, subdivision 1a,  
52.8 is amended to read:

52.9 Subd. 1a. **Rigorous course of study; waiver.** (a) Upon receiving a student's  
52.10 application signed by the student's parent or guardian, a school district, area learning  
52.11 center, or charter school must declare that a student meets or exceeds a specific academic  
52.12 standard required for graduation under this section if the local school board, the school  
52.13 board of the school district in which the area learning center is located, or the charter  
52.14 school board of directors determines that the student:

52.15 (1) is participating in a course of study, including an advanced placement or  
52.16 international baccalaureate course or program; a learning opportunity outside the  
52.17 curriculum of the district, area learning center, or charter school; or an approved  
52.18 preparatory program for employment or postsecondary education that is equally or more  
52.19 rigorous than the corresponding state or local academic standard required by the district,  
52.20 area learning center, or charter school;

52.21 (2) would be precluded from participating in the rigorous course of study, learning  
52.22 opportunity, or preparatory employment or postsecondary education program if the student  
52.23 were required to achieve the academic standard to be waived; and

52.24 (3) satisfactorily completes the requirements for the rigorous course of study,  
52.25 learning opportunity, or preparatory employment or postsecondary education program.

52.26 Consistent with the requirements of this section, the local school board, the school board  
52.27 of the school district in which the area learning center is located, or the charter school  
52.28 board of directors also may formally determine other circumstances in which to declare  
52.29 that a student meets or exceeds a specific academic standard that the site requires for  
52.30 graduation under this section.

52.31 (b) A student who satisfactorily completes a postsecondary enrollment options  
52.32 course or program under section 124D.09, or an advanced placement or international  
52.33 baccalaureate course or program under section 120B.13, is not required to complete other  
52.34 requirements of the academic standards corresponding to that specific rigorous course  
52.35 of study.

53.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

53.2 Sec. 4. Minnesota Statutes 2004, section 120B.023, is amended to read:

53.3 **120B.023 BENCHMARKS.**

53.4 Subdivision 1. **Benchmarks implement, supplement statewide academic**

53.5 **standards.** (a) The commissioner must supplement required state academic standards with  
 53.6 grade-level benchmarks. High school benchmarks may cover more than one grade. The  
 53.7 benchmarks must implement statewide academic standards by specifying the academic  
 53.8 knowledge and skills that schools must offer and students must achieve to satisfactorily  
 53.9 complete a state standard. ~~The commissioner must publish~~ benchmarks ~~are published~~ to  
 53.10 inform and guide parents, teachers, school districts, and other interested persons and ~~for~~ to  
 53.11 use in developing tests consistent with the benchmarks.

53.12 (b) The commissioner shall publish benchmarks in the State Register and transmit  
 53.13 the benchmarks in any other manner that makes them accessible to the general public. The  
 53.14 commissioner may charge a reasonable fee for publications.

53.15 (c) Once established, the commissioner may change the benchmarks only with  
 53.16 specific legislative authorization and after completing a review under ~~paragraph (d)~~  
 53.17 subdivision 2.

53.18 (d) The commissioner must develop and implement a system for reviewing ~~on~~  
 53.19 ~~a four-year cycle~~ each of the required academic standards and related benchmarks and  
 53.20 elective standards ~~beginning in the 2006-2007 school year~~ on a periodic cycle, consistent  
 53.21 with subdivision 2.

53.22 (e) The benchmarks are not subject to chapter 14 and section 14.386 does not apply.

53.23 Subd. 2. **Revisions and reviews required.** (a) The commissioner of education must  
 53.24 revise and appropriately embed technology and information literacy standards consistent  
 53.25 with recommendations from school media specialists into the state's academic standards  
 53.26 and graduation requirements and implement a review cycle for state academic standards  
 53.27 and related benchmarks, consistent with this subdivision. During each review cycle, the  
 53.28 commissioner also must examine the alignment of each required academic standard and  
 53.29 related benchmark with the knowledge and skills students need for college readiness and  
 53.30 advanced work in the particular subject area.

53.31 (b) The commissioner in the 2006-2007 school year must revise and align the state's  
 53.32 academic standards and high school graduation requirements in mathematics to require  
 3 that students satisfactorily complete the revised mathematics standards, beginning in the  
 53.34 2010-2011 school year. Under the revised standards:

54.1 (1) students must satisfactorily complete an algebra I credit by the end of eighth  
54.2 grade; and

54.3 (2) students scheduled to graduate in the 2014-2015 school year or later must  
54.4 satisfactorily complete an algebra II credit or its equivalent.

54.5 The commissioner also must ensure that the statewide mathematics assessments  
54.6 administered to students in grades 3 through 8 and 11 beginning in the 2010-2011  
54.7 school year are aligned with the state academic standards in mathematics. The statewide  
54.8 11th grade mathematics test administered to students under clause (2) beginning in  
54.9 the 2013-2014 school year must include algebra II test items that are aligned with  
54.10 corresponding state academic standards in mathematics. The commissioner must  
54.11 implement a review of the academic standards and related benchmarks in mathematics  
54.12 beginning in the 2015-2016 school year.

54.13 (c) The commissioner in the 2007-2008 school year must revise and align the state's  
54.14 academic standards and high school graduation requirements in the arts to require that  
54.15 students satisfactorily complete the revised arts standards beginning in the 2010-2011  
54.16 school year. The commissioner must implement a review of the academic standards and  
54.17 related benchmarks in arts beginning in the 2016-2017 school year.

54.18 (d) The commissioner in the 2008-2009 school year must revise and align the state's  
54.19 academic standards and high school graduation requirements in science to require that  
54.20 students satisfactorily complete the revised science standards, beginning in the 2011-2012  
54.21 school year. Under the revised standards, students scheduled to graduate in the 2014-2015  
54.22 school year or later must satisfactorily complete a chemistry or physics credit. The  
54.23 commissioner must implement a review of the academic standards and related benchmarks  
54.24 in science beginning in the 2017-2018 school year.

54.25 (e) The commissioner in the 2009-2010 school year must revise and align the state's  
54.26 academic standards and high school graduation requirements in language arts to require  
54.27 that students satisfactorily complete the revised language arts standards beginning in the  
54.28 2012-2013 school year. The commissioner must implement a review of the academic  
54.29 standards and related benchmarks in language arts beginning in the 2018-2019 school year.

54.30 (f) The commissioner in the 2010-2011 school year must revise and align the state's  
54.31 academic standards and high school graduation requirements in social studies to require  
54.32 that students satisfactorily complete the revised social studies standards beginning in the  
54.33 2013-2014 school year. The commissioner must implement a review of the academic  
54.34 standards and related benchmarks in social studies beginning in the 2019-2020 school year.

54.35 (g) School districts and charter schools must revise and align local academic  
54.36 standards and high school graduation requirements in health, physical education, world

55.1 languages, and career and technical education to require students to complete the revised  
 55.2 standards beginning in a school year determined by the school district or charter school.  
 55.3 School districts and charter schools must formally establish a periodic review cycle for  
 55.4 the academic standards and related benchmarks in health, physical education, world  
 55.5 languages, and career and technical education.

55.6 **EFFECTIVE DATE.** This section is effective the day following final enactment.

55.7 Sec. 5. Minnesota Statutes 2004, section 120B.024, is amended to read:

55.8 **120B.024 GRADUATION REQUIREMENTS; COURSE CREDITS;**  
 55.9 **STUDENT TRANSFERS.**

55.10 (a) Students beginning 9th grade in the 2004-2005 school year and later must  
 55.11 successfully complete the following high school level course credits for graduation:

55.12 (1) four credits of language arts;

55.13 (2) three credits of mathematics, encompassing at least algebra, geometry, statistics,  
 55.14 and probability sufficient to satisfy the academic standard and beginning in the 2010-2011  
 55.15 school year for students scheduled to graduate in the 2014-2015 school year or later, one  
 55.16 algebra II credit or its equivalent;

55.17 (3) three credits of science, including at least one credit in biology and for the  
 55.18 2011-2012 school year and later, one credit in chemistry or physics;

55.19 (4) three and one-half credits of social studies, encompassing at least United  
 55.20 States history, geography, government and citizenship, world history, and economics or  
 55.21 three credits of social studies encompassing at least United States history, geography,  
 55.22 government and citizenship, and world history, and one-half credit of economics taught in  
 55.23 a school's social studies, agriculture education, or business department;

55.24 (5) one credit in the arts; and

55.25 (6) a minimum of seven elective course credits.

55.26 (b) Students beginning 9th grade in the 2006-2007 school year and later must  
 55.27 complete the following course credits for graduation in addition to those specified in  
 55.28 paragraph (a), clauses (1) to (5):

55.29 (1) one-half credit in physical education and one-half credit in health education; and

55.30 (2) a minimum of six elective course credits instead of the seven elective course  
 55.31 credits specified in paragraph (a), clause (6).

55.32 (c) A course credit is equivalent to a student successfully completing an academic  
 55.33 year of study or a student mastering the applicable subject matter, as determined by the  
 55.34 local school district.

56.1 (d) An agriculture science course may fulfill a science credit requirement under  
 56.2 this section.

56.3 (e) A district, area learning center, and charter school must establish processes by  
 56.4 which to transfer as completed:

56.5 (1) those course credit requirements that other school sites within the district or  
 56.6 other public schools verify on transcripts as completed; and

56.7 (2) the work that educational institutions outside the state accept for completing the  
 56.8 equivalent of course credit requirements and verify on transcripts as completed.

56.9 **EFFECTIVE DATE.** This section is effective the day following final enactment.

56.10 Sec. 6. Minnesota Statutes 2005 Supplement, section 120B.131, subdivision 2, is  
 56.11 amended to read:

56.12 Subd. 2. **Reimbursement for examination fees.** The state may reimburse  
 56.13 college-level examination program (CLEP) fees for a Minnesota public or nonpublic  
 56.14 high school student who has successfully completed one or more college-level courses  
 56.15 in high school ~~and earned a satisfactory score on one or more CLEP examinations in the~~  
 56.16 subject matter of each examination in the following subjects: composition and literature,  
 56.17 mathematics and science, social sciences and history, foreign languages, and business and  
 56.18 humanities. The state may reimburse each ~~successful~~ student for up to six examination  
 56.19 fees. The commissioner shall establish application procedures and a process and schedule  
 56.20 for fee reimbursements. The commissioner must give priority to reimburse the CLEP  
 56.21 examination fees of students of low-income families.

56.22 Sec. 7. [121A.02] SCHOOL SAFETY.

56.23 Subdivision 1. School safety advisory council. A school safety advisory council  
 56.24 is established under section 15.059. The advisory council is composed of 12 members  
 56.25 representing law enforcement agencies, mental health services, substance abuse services,  
 56.26 faith communities, school administrators, students, and school athletic departments and  
 56.27 extracurricular organizations. The members of the council shall be appointed by the  
 56.28 commissioner and must be from geographically diverse regions of the state.

56.29 Subd. 2. Duties. The advisory council shall advise the commissioner on issues  
 56.30 related to school safety. The advisory council, in cooperation with the commissioner,  
 56.31 shall make recommendations for the creation of a Center for School Safety for the state  
 56.32 that serves as the central point for the collection and dissemination of information about  
 56.33 successful school safety programs, provide services to schools to assess current school  
 56.34 environments, and provide materials, training, and technical assistance.

57.1 Subd. 3. Center for School Safety. Consistent with the recommendations of  
 57.2 the advisory council, the commissioner shall establish the Center for School Safety.  
 57.3 The advisory council shall continue to advise the commissioner and the center on its  
 57.4 operations. The Center for School Safety shall, at a minimum:

- 57.5 (1) establish a clearinghouse for information and materials concerning school safety;  
 57.6 (2) provide safe school assessments;  
 57.7 (3) provide training and technical assistance customized to individual school needs  
 57.8 for school staff, students, and parents;  
 57.9 (4) provide services to enhance school climate;  
 57.10 (5) coordinate school efforts with the broader community; and  
 57.11 (6) evaluate and report on the implementation and effectiveness of the services  
 57.12 provided by the center.

57.13 Sec. 8. Minnesota Statutes 2004, section 121A.035, is amended to read:

57.14 **121A.035 CRISIS MANAGEMENT POLICY.**

57.15 Subdivision 1. **Model policy.** ~~By December 1, 1999,~~ The commissioner shall  
 57.16 maintain and make available to school boards and charter schools a model crisis  
 57.17 management policy that includes, among other items, school lock-down and tornado drills,  
 57.18 consistent with subdivision 2, and school fire drills under section 299F.30.

57.19 Subd. 2. **School district and charter school policy.** ~~By July 1, 2000,~~ A school  
 57.20 board and a charter school must adopt a ~~district~~ crisis management policy to address  
 57.21 potential violent crisis situations in the district or charter school. The policy must be  
 57.22 developed ~~in consultation~~ cooperatively with administrators, teachers, employees,  
 57.23 students, parents, community members, law enforcement agencies, other emergency  
 57.24 management officials, county attorney offices, social service agencies, emergency medical  
 57.25 responders, and any other appropriate individuals or organizations. The policy must  
 57.26 include at least five school lock-down drills, five school fire drills consistent with section  
 57.27 299F.30, and one tornado drill.

57.28 **EFFECTIVE DATE.** This section is effective for the 2006-2007 school year and  
 57.29 later.

57.30 Sec. 9. **[121A.231] COMPREHENSIVE FAMILY LIFE AND SEXUALITY**  
 57.31 **EDUCATION PROGRAMS.**

57.32 Subdivision 1. **Definitions.** (a) "Comprehensive family life and sexuality education"  
 57.33 means education in grades 7 through 12 that:

- 58.1 (1) respects community values and encourages family communication;  
58.2 (2) develops skills in communication, decision making, and conflict resolution;  
58.3 (3) contributes to healthy relationships;  
58.4 (4) provides human development and sexuality education that is age appropriate  
58.5 and medically accurate;  
58.6 (5) includes an abstinence-first approach to delaying initiation of sexual activity that  
58.7 emphasizes abstinence while also including education about the use of protection and  
58.8 contraception; and  
58.9 (6) promotes individual responsibility.
- 58.10 (b) "Age appropriate" refers to topics, messages, and teaching methods suitable to  
58.11 particular ages or age groups of children and adolescents, based on developing cognitive,  
58.12 emotional, and behavioral capacity typical for the age or age group.
- 58.13 (c) "Medically accurate" means verified or supported by research conducted in  
58.14 compliance with scientific methods and published in peer-reviewed journals, where  
58.15 appropriate, and recognized as accurate and objective by professional organizations  
58.16 and agencies in the relevant field, such as the federal Centers for Disease Control  
58.17 and Prevention, the American Public Health Association, the American Academy of  
58.18 Pediatrics, or the American College of Obstetricians and Gynecologists.
- 58.19 Subd. 2. Curriculum requirements. (a) A school district may offer and may  
58.20 independently establish policies, procedures, curriculum, and services for providing  
58.21 comprehensive family life and sexuality education that is age appropriate and medically  
58.22 accurate for kindergarten through grade 6.
- 58.23 (b) A school district must offer and may independently establish policies, procedures,  
58.24 curriculum, and services for providing comprehensive family life and sexuality education  
58.25 that is age appropriate and medically accurate for grades 7 through 12.
- 58.26 Subd. 3. Notice and parental options. (a) It is the legislature's intent to encourage  
58.27 pupils to communicate with their parents or guardians about human sexuality and to respect  
58.28 rights of parents or guardians to supervise their children's education on these subjects.
- 58.29 (b) Parents or guardians may excuse their children from all or part of a  
58.30 comprehensive family life and sexuality education program.
- 58.31 (c) A school district must establish procedures for providing parents or guardians  
58.32 reasonable notice with the following information:
- 58.33 (1) if the district is offering a comprehensive family life and sexuality education  
58.34 program to the parents' or guardians' child during the course of the year;  
58.35 (2) how the parents or guardians may inspect the written and audio/visual  
58.36 educational materials used in the program and the process for inspection;

59.1 (3) if the program is presented by school district personnel or outside consultants,  
 59.2 and if outside consultants are used, who they may be; and

59.3 (4) parents' or guardians' right to choose not to have their child participate in the  
 59.4 program and the procedure for exercising that right.

59.5 (d) A school district must establish procedures for reasonably restricting the  
 59.6 availability of written and audio/visual educational materials from public view of students  
 59.7 who have been excused from all or part of a comprehensive family life and sexuality  
 59.8 education program at the request of a parent or guardian.

59.9 **Subd. 4. Assistance to school districts.** (a) The Department of Education may  
 59.10 offer services to school districts to help them implement effective comprehensive family  
 59.11 life and sexuality education programs. In providing these services, the department may  
 59.12 contract with a school district, or a school district in partnership with a local health agency  
 59.13 or a nonprofit organization, to establish up to eight regional training sites, taking into  
 59.14 account geographical balance, to provide:

59.15 (1) training for teachers, parents, and community members in the development of  
 59.16 comprehensive family life and sexuality education curriculum or services and in planning  
 59.17 for monitoring and evaluation activities;

59.18 (2) resource staff persons to provide expert training, curriculum development and  
 59.19 implementation, and evaluation services;

59.20 (3) technical assistance to promote and coordinate community, parent, and youth  
 59.21 forums in communities identified as having high needs for comprehensive family life  
 59.22 and sexuality education;

59.23 (4) technical assistance for issue management and policy development training for  
 59.24 school boards, superintendents, principals, and administrators across the state; and

59.25 (5) funding for grants to school-based comprehensive family life and sexuality  
 59.26 education programs to promote innovation and to recognize outstanding performance and  
 59.27 promote replication of demonstrably effective strategies.

59.28 (b) Technical assistance provided by the department to school districts or regional  
 59.29 training sites may:

59.30 (1) promote instruction and use of materials that are age appropriate;

59.31 (2) provide information that is medically accurate and objective;

59.32 (3) provide instruction and promote use of materials that are respectful of marriage  
 59.33 and commitments in relationships;

59.34 (4) provide instruction and promote use of materials that are appropriate for use  
 59.35 with pupils and family experiences based on race, gender, sexual orientation, and ethnic



60.1 and cultural background, and appropriately accommodate alternative learning based on  
60.2 language or disability;

60.3 (5) provide instruction and promote use of materials that encourage pupils to  
60.4 communicate with their parents or guardians about human sexuality;

60.5 (6) provide instruction and promote use of age-appropriate materials that teach  
60.6 abstinence from sexual intercourse as the only certain way to prevent unintended  
60.7 pregnancy or sexually transmitted infections, including HIV, and provide information  
60.8 about the role and value of abstinence while also providing medically accurate information  
60.9 on other methods of preventing and reducing risk for unintended pregnancy and sexually  
60.10 transmitted infections;

60.11 (7) provide instruction and promote use of age-appropriate materials that are  
60.12 medically accurate in explaining transmission modes, risks, symptoms, and treatments for  
60.13 sexually transmitted infections, including HIV;

60.14 (8) provide instruction and promote use of age-appropriate materials that address  
60.15 varied societal views on sexuality, sexual behaviors, pregnancy, and sexually transmitted  
60.16 infections, including HIV, in an age-appropriate manner;

60.17 (9) provide instruction and promote use of age-appropriate materials that provide  
60.18 information about the effectiveness and safety of all FDA-approved methods for  
60.19 preventing and reducing risk for unintended pregnancy and sexually transmitted  
60.20 infections, including HIV;

60.21 (10) provide instruction and promote use of age-appropriate materials that provide  
60.22 instruction in skills for making and implementing responsible decisions about sexuality;

60.23 (11) provide instruction and promote use of age-appropriate materials that provide  
60.24 instruction in skills for making and implementing responsible decisions about finding and  
60.25 using health services; and

60.26 (12) provide instruction and promote use of age-appropriate materials that do not  
60.27 teach or promote religious doctrine or reflect or promote bias against any person on the  
60.28 basis of any category protected under the Minnesota Human Rights Act, chapter 363A.

60.29 Sec. 10. Minnesota Statutes 2004, section 122A.09, subdivision 4, is amended to read:

60.30 Subd. 4. **License and rules.** (a) The board must adopt rules to license public school  
60.31 teachers and interns subject to chapter 14.

60.32 (b) The board must adopt rules requiring a person to successfully complete a skills  
60.33 examination in reading, writing, and mathematics as a requirement for initial teacher  
60.34 licensure. Such rules must require college and universities offering a board-approved  
60.35 teacher preparation program to provide remedial assistance to persons who did not

61.1 achieve a qualifying score on the skills examination, including those for whom English is  
61.2 a second language.

3 (c) The board must adopt rules to approve teacher preparation programs. The board,  
61.4 upon the request of a postsecondary student preparing for teacher licensure or a licensed  
61.5 graduate of a teacher preparation program, shall assist in resolving a dispute between the  
61.6 person and a postsecondary institution providing a teacher preparation program when the  
61.7 dispute involves an institution's recommendation for licensure affecting the person or the  
61.8 person's credentials. At the board's discretion, assistance may include the application  
61.9 of chapter 14.

61.10 (d) The board must provide the leadership and shall adopt rules for the redesign of  
61.11 teacher education programs to implement a research based, results-oriented curriculum that  
61.12 focuses on the skills teachers need in order to be effective. The board shall implement new  
61.13 systems of teacher preparation program evaluation to assure program effectiveness based  
61.14 on proficiency of graduates in demonstrating attainment of program outcomes. The board  
61.15 must require that persons enrolled in a teacher preparation program receive instruction  
61.16 in historical and cultural competencies related to Minnesota American Indian tribes and  
61.17 communities and their contributions to Minnesota, consistent with sections 124D.71 to  
61.18 124D.82. The competencies related to Minnesota American Indian tribes and communities  
61.19 must include, among other components, standards for instructional practices most effective  
61.20 for successfully teaching elementary and secondary American Indian students.

61.21 (e) The board must adopt rules requiring successful completion of an examination  
61.22 of general pedagogical knowledge and examinations of licensure-specific teaching  
61.23 skills. The rules shall be effective on the dates determined by the board but not later  
61.24 than September 1, 2001.

61.25 (f) The board must adopt rules requiring teacher educators to work directly with  
61.26 elementary or secondary school teachers in elementary or secondary schools to obtain  
61.27 periodic exposure to the elementary or secondary teaching environment.

61.28 (g) The board must grant licenses to interns and to candidates for initial licenses.

61.29 (h) The board must design and implement an assessment system which requires a  
61.30 candidate for an initial license and first continuing license to demonstrate the abilities  
61.31 necessary to perform selected, representative teaching tasks at appropriate levels.

61.32 (i) The board must receive recommendations from local committees as established  
61.33 by the board for the renewal of teaching licenses.

61.34 (j) The board must grant life licenses to those who qualify according to requirements  
61.35 established by the board, and suspend or revoke licenses pursuant to sections 122A.20 and  
61.36 214.10. The board must not establish any expiration date for application for life licenses.

62.1 (k) The board must adopt rules that require all licensed teachers who are renewing  
 62.2 their continuing license to include in their renewal requirements further preparation in  
 62.3 the areas of using positive behavior interventions and in accommodating, modifying, and  
 62.4 adapting curricula, materials, and strategies to appropriately meet the needs of individual  
 62.5 students and ensure adequate progress toward the state's graduation rule.

62.6 (l) In adopting rules to license public school teachers who provide health-related  
 62.7 services for disabled children, the board shall adopt rules consistent with license or  
 62.8 registration requirements of the commissioner of health and the health-related boards who  
 62.9 license personnel who perform similar services outside of the school.

62.10 (m) The board must adopt rules that require all licensed teachers who are renewing  
 62.11 their continuing license to include in their renewal requirements further reading  
 62.12 preparation, consistent with section 122A.06, subdivision 4. The rules do not take effect  
 62.13 until they are approved by law. Teachers who do not provide direct instruction including, at  
 62.14 least, counselors, school psychologists, school nurses, school social workers, audiovisual  
 62.15 directors and coordinators, and recreation personnel are exempt from this section.

62.16 (n) The board must adopt rules that require all licensed teachers who are renewing  
 62.17 their continuing license to include in their renewal requirements further preparation  
 62.18 in understanding the key warning signs of early-onset mental illness in children and  
 62.19 adolescents.

62.20 (o) The board must adopt rules to include instruction and other development  
 62.21 activities to improve the understanding and effective instruction of and communication  
 62.22 with Minnesota American Indian tribes and communities, consistent with paragraph (d)  
 62.23 and sections 124D.71 to 124D.82, in the 125 clock hours of professional development that  
 62.24 teachers must complete to renew their professional teaching license.

62.25 **EFFECTIVE DATE.** This section is effective for the 2006-2007 school year and  
 62.26 later.

62.27 Sec. 11. Minnesota Statutes 2004, section 122A.18, subdivision 2, is amended to read:

62.28 **Subd. 2. Teacher and support personnel qualifications.** (a) The Board of  
 62.29 Teaching must issue licenses under its jurisdiction to persons the board finds to be  
 62.30 qualified and competent for their respective positions.

62.31 (b) The board must require a person to successfully complete an examination of  
 62.32 skills in reading, writing, and mathematics before being granted an initial teaching license  
 62.33 to provide direct instruction to pupils in prekindergarten, elementary, secondary, or special  
 62.34 education programs. The board must require colleges and universities offering a board  
 62.35 approved teacher preparation program to provide remedial assistance that includes a

63.1 formal diagnostic component to persons enrolled in their institution who did not achieve a  
 63.2 qualifying score on the skills examination, including those for whom English is a second  
 63.3 language. The colleges and universities must provide assistance in the specific academic  
 63.4 areas of deficiency in which the person did not achieve a qualifying score. School  
 63.5 districts must provide similar, appropriate, and timely remedial assistance that includes a  
 63.6 formal diagnostic component and mentoring to those persons employed by the district  
 63.7 who completed their teacher education program outside the state of Minnesota, received  
 63.8 a one-year license to teach in Minnesota and did not achieve a qualifying score on the  
 63.9 skills examination, including those persons for whom English is a second language. The  
 63.10 Board of Teaching shall report annually to the education committees of the legislature  
 63.11 on the total number of teacher candidates during the most recent school year taking the  
 63.12 skills examination, the number who achieve a qualifying score on the examination, the  
 63.13 number who do not achieve a qualifying score on the examination, the distribution of all  
 63.14 candidates' scores, the number of candidates who have taken the examination at least once  
 63.15 before, and the number of candidates who have taken the examination at least once before  
 63.16 and achieve a qualifying score.

63.17 (c) A person who has completed an approved teacher preparation program and  
 63.18 obtained a one-year license to teach, but has not successfully completed the skills  
 63.19 examination, may renew the one-year license for two additional one-year periods. Each  
 63.20 renewal of the one-year license is contingent upon the licensee:

63.21 (1) providing evidence of participating in an approved remedial assistance program  
 63.22 provided by a school district or postsecondary institution that includes a formal diagnostic  
 63.23 component in the specific areas in which the licensee did not obtain qualifying scores; and  
 63.24 (2) attempting to successfully complete the skills examination during the period  
 63.25 of each one-year license.

63.26 (d) The Board of Teaching must grant continuing licenses only to those persons who  
 63.27 have met board criteria for granting a continuing license, which includes successfully  
 63.28 completing the skills examination in reading, writing, and mathematics.

63.29 (e) All colleges and universities approved by the board of teaching to prepare persons  
 63.30 for teacher licensure must include in their teacher preparation programs a common core  
 63.31 of teaching knowledge and skills to be acquired by all persons recommended for teacher  
 63.32 licensure. This common core shall meet the standards developed by the interstate new  
 63.33 teacher assessment and support consortium in its 1992 "model standards for beginning  
 63.34 teacher licensing and development," and must include technology and information  
 63.35 literacy standards that are consistent with recommendations from media specialists and  
 63.36 the department's Educator Licensing and Teacher Quality Division. The board must

64.1 develop and implement a system for reviewing on a seven-year cycle all standards of  
64.2 effective practice for teachers beginning in the 2007-2008 school year. Amendments to  
64.3 standards adopted under this paragraph are covered by chapter 14. The board of teaching  
64.4 shall report annually to the education committees of the legislature on the performance  
64.5 of teacher candidates on common core assessments of knowledge and skills under this  
64.6 paragraph during the most recent school year.

64.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.

64.8 Sec. 12. Minnesota Statutes 2004, section 122A.31, subdivision 1, is amended to read:

64.9 **Subdivision 1. Requirements for American sign language/English interpreters.**

64.10 (a) Except as provided under subdivision 1a and in addition to any other requirements  
64.11 that a school district establishes, any person employed to provide American sign  
64.12 language/English interpreting or sign transliterating services on a full-time or part-time  
64.13 basis for a school district after July 1, 2000, must:

64.14 (1) hold current interpreter and transliterator certificates awarded by the Registry  
64.15 of Interpreters for the Deaf (RID), or the general level interpreter proficiency certificate  
64.16 awarded by the National Association of the Deaf (NAD), or a comparable state  
64.17 certification from the commissioner of education; and

64.18 (2) satisfactorily complete an interpreter/transliterator training program affiliated  
64.19 with an accredited educational institution.

64.20 (b) New graduates of an interpreter/transliterator program affiliated with an  
64.21 accredited education institution shall be granted a two-year provisional certificate by  
64.22 the commissioner. During the two-year provisional period, the interpreter/transliterator  
64.23 must develop and implement an education plan in collaboration with a mentor under  
64.24 paragraph (c).

64.25 (c) A mentor of a provisionally certified interpreter/transliterator must be an  
64.26 interpreter/transliterator who has either NAD level IV or V certification or RID  
64.27 certified interpreter and certified transliterator certification and have at least three  
64.28 years interpreting/transliterating experience in any educational setting. The mentor, in  
64.29 collaboration with the provisionally certified interpreter/transliterator, shall develop and  
64.30 implement an education plan designed to meet the requirements of paragraph (a), clause  
64.31 (1), and include a weekly on-site mentoring process.

64.32 (d) Consistent with the requirements of this paragraph, a person holding a  
64.33 provisional certificate may apply to the commissioner for one time-limited extension. The  
64.34 commissioner, in consultation with the Commission Serving Deaf and Hard-of-Hearing

65.1 People, must grant the person a time-limited extension of the provisional certificate based  
 65.2 on the following documentation:

65.3 (1) letters of support from the person's mentor, a parent of a pupil the person serves,  
 65.4 the special education director of the district in which the person is employed, and a  
 65.5 representative from the regional service center of the deaf and hard-of-hearing;

65.6 (2) records of the person's formal education, training, experience, and progress on  
 65.7 the person's education plan; and

65.8 (3) an explanation of why the extension is needed.

65.9 As a condition of receiving the extension, the person must comply with a plan  
 65.10 and the accompanying time line for meeting the requirements of this subdivision. A  
 65.11 committee composed of the director of the Minnesota Resource Center Serving Deaf and  
 65.12 Hard-of-Hearing, or the director's designee, a representative of the Minnesota Association  
 65.13 of Deaf Citizens, a representative of the Minnesota Registry of Interpreters of the Deaf,  
 65.14 and other appropriate persons selected by the commissioner must develop the plan and  
 65.15 time line for the person receiving the extension.

65.16 (e) A school district may employ ~~only~~ an interpreter/transliterator who has been  
 65.17 certified under paragraph (a) or (b), or for whom a time-limited extension has been  
 65.18 granted under paragraph (d), or a person qualified as an interpreter/transliterator under  
 65.19 subdivision 1a.

65.20 **EFFECTIVE DATE.** This section is effective for the 2006-2007 school year and  
 65.21 later.

65.22 Sec. 13. Minnesota Statutes 2004, section 122A.31, is amended by adding a  
 65.23 subdivision to read:

65.24 **Subd. 1a. Qualified deaf and hard-of-hearing interpreters/transliterators.** In  
 65.25 addition to employing a qualified interpreter/transliterator under subdivision 1, a school  
 65.26 district or charter school also may employ as an interpreter/transliterator a person who is  
 65.27 deaf or hard-of-hearing and holds a current reverse skills certificate (RSC) or a certified  
 65.28 deaf interpreter (CDI) certificate awarded by the Registry of Interpreters for the Deaf  
 65.29 (RID). The qualified deaf or hard-of-hearing person must be able to interpret between  
 65.30 American sign language and English-based sign language or transliterate between spoken  
 65.31 English and a signed code for English. The district or charter school may employ a  
 65.32 qualified person under this subdivision for a broad range of interpreting or transliterating  
 65.33 assignments.

66.1 **EFFECTIVE DATE.** This section is effective for the 2006-2007 school year and  
66.2 later.

66.3 Sec. 14. Minnesota Statutes 2005 Supplement, section 122A.414, subdivision 2b,  
66.4 is amended to read:

66.5 Subd. 2b. **Approval process.** (a) Consistent with the requirements of this section  
66.6 and sections 122A.413 and 122A.415, the department must prepare and transmit to  
66.7 interested school districts, intermediate school districts, school sites, and charter schools  
66.8 a standard form for applying to participate in the alternative teacher professional pay  
66.9 system. An interested school district, intermediate school district, school site, or charter  
66.10 school must submit to the commissioner a completed application executed by the district  
66.11 superintendent and the exclusive bargaining representative of the teachers if the applicant  
66.12 is a school district, intermediate school district, or school site, or executed by the charter  
66.13 school board of directors if the applicant is a charter school. The application must include  
66.14 the proposed alternative teacher professional pay system agreement under subdivision  
66.15 2. The department must convene a review committee that at least includes teachers and  
66.16 administrators within 30 days of receiving a completed application to recommend to  
66.17 the commissioner whether to approve or disapprove the application. The commissioner  
66.18 must approve applications on a first-come, first-served basis. The applicant's alternative  
66.19 teacher professional pay system agreement must be legally binding on the applicant  
66.20 and the collective bargaining representative before the applicant receives alternative  
66.21 compensation revenue. The commissioner must approve or disapprove an application  
66.22 based solely on the explicit requirements under subdivisions 2 and 2a and may not impose  
66.23 any other conditions for approval.

66.24 (b) If the commissioner disapproves an application, the commissioner must give the  
66.25 applicant timely notice of the specific reasons in detail for disapproving the application.  
66.26 The applicant may revise and resubmit its application and related documents to the  
66.27 commissioner within 30 days of receiving notice of the commissioner's disapproval and  
66.28 the commissioner must approve or disapprove the revised application, consistent with this  
66.29 subdivision. Applications that are revised and then approved are considered submitted on  
66.30 the date the applicant initially submitted the application.

66.31 Sec. 15. Minnesota Statutes 2005 Supplement, section 122A.414, subdivision 3,  
66.32 is amended to read:

66.33 Subd. 3. **Report; continued funding.** (a) Participating districts, intermediate  
66.34 school districts, school sites, and charter schools must report on the implementation and

67.1 effectiveness of the alternative teacher professional pay system, particularly addressing  
 67.2 each requirement under subdivision 2 and make annual recommendations by June 15 to  
 67.3 their school boards. The school board or board of directors shall transmit a copy of the  
 67.4 report with a summary of the findings and recommendations of the district, intermediate  
 67.5 school district, school site, or charter school to the commissioner.

67.6 (b) If the commissioner determines that a school district, intermediate school district,  
 67.7 school site, or charter school that receives alternative teacher compensation revenue is not  
 67.8 complying with the requirements of this section, the commissioner may withhold funding  
 67.9 from that participant. Before making the determination, the commissioner must notify the  
 67.10 participant of any deficiencies and provide the participant an opportunity to comply.

67.11 (c) The commissioner's review and evaluation of an alternative teacher professional  
 67.12 pay system must be judged relative to the participant's approved plan and may not impose  
 13 any criteria other than are contained in the plan or the explicit requirements of this section.

67.14 **Sec. 16. [122A.416] ALTERNATIVE TEACHER COMPENSATION REVENUE**  
 67.15 **FOR PERPICH CENTER FOR ARTS EDUCATION AND MULTIDISTRICT**  
 67.16 **INTEGRATION COLLABORATIVES.**

67.17 Notwithstanding sections 122A.413, 122A.414, 122A.415, and 126C.10,  
 67.18 multidistrict integration collaboratives and the Perpich Center for Arts Education are  
 67.19 eligible to receive alternative teacher compensation revenue as if they were intermediate  
 67.20 school districts. To qualify for alternative teacher compensation revenue, a multidistrict  
 67.21 integration collaborative or the Perpich Center for Arts Education must meet all of the  
 67.22 requirements of sections 122A.413, 122A.414, and 122A.415 that apply to intermediate  
 67.23 school districts, must report its enrollment as of October 1 of each year to the department,  
 67.24 and must annually report its expenditures for the alternative teacher professional pay  
 67.25 system consistent with the uniform financial accounting and reporting standards to the  
 67.26 department by November 30 of each year.

67.27 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2007.

67.28 Sec. 17. Minnesota Statutes 2004, section 123B.77, subdivision 3, is amended to read:

67.29 Subd. 3. **Statement for comparison and correction.** (a) By November 30 of the  
 67.30 calendar year of the submission of the unaudited financial data, the district must provide to  
 67.31 the commissioner audited financial data for the preceding fiscal year. The audit must be  
 67.32 conducted in compliance with generally accepted governmental auditing standards, the  
 67.33 federal Single Audit Act, and the Minnesota legal compliance guide issued by the Office  
 67.34 of the State Auditor. An audited financial statement prepared in a form which will allow



68.1 comparison with and correction of material differences in the unaudited financial data  
68.2 shall be submitted to the commissioner and the state auditor by December 31. The audited  
68.3 financial statement must also provide a statement of assurance pertaining to uniform  
68.4 financial accounting and reporting standards compliance and a copy of the management  
68.5 letter submitted to the district by the school district's auditor.

68.6 (b) By January 15 of the calendar year following the submission of the unaudited  
68.7 financial data, the commissioner shall convert the audited financial data required by this  
68.8 subdivision into the consolidated financial statement format required under subdivision 1a  
68.9 and publish the information on the department's Web site.

68.10 **EFFECTIVE DATE.** This section is effective for financial statements prepared in  
68.11 2006 and later.

68.12 Sec. 18. Minnesota Statutes 2004, section 123B.90, subdivision 2, is amended to read:

68.13 Subd. 2. **Student training.** (a) Each district must provide public school pupils  
68.14 enrolled in kindergarten through grade 10 with age-appropriate school bus safety training,  
68.15 as described in this section, of the following concepts:

- 68.16 (1) transportation by school bus is a privilege and not a right;
- 68.17 (2) district policies for student conduct and school bus safety;
- 68.18 (3) appropriate conduct while on the school bus;
- 68.19 (4) the danger zones surrounding a school bus;
- 68.20 (5) procedures for safely boarding and leaving a school bus;
- 68.21 (6) procedures for safe street or road crossing; and
- 68.22 (7) school bus evacuation.

68.23 (b) Each nonpublic school located within the district must provide all nonpublic  
68.24 school pupils enrolled in kindergarten through grade 10 who are transported by school  
68.25 bus at public expense and attend school within the district's boundaries with training as  
68.26 required in paragraph (a).

68.27 (c) Students enrolled in kindergarten through grade 6 who are transported by school  
68.28 bus and are enrolled during the first or second week of school must receive the school bus  
68.29 safety training competencies by the end of the third week of school. Students enrolled in  
68.30 grades 7 through 10 who are transported by school bus and are enrolled during the first or  
68.31 second week of school and have not previously received school bus safety training must  
68.32 receive the training or receive bus safety instructional materials by the end of the sixth  
68.33 week of school. ~~Students taking driver's training instructional classes and other students in~~  
68.34 ~~grades 9 and grade 9 or 10~~ must receive training in the laws and proper procedures when  
68.35 operating a motor vehicle in the vicinity of a school bus. Students enrolled in kindergarten

69.1 through grade 10 who enroll in a school after the second week of school and are  
69.2 transported by school bus and have not received training in their previous school district  
69.3 shall undergo school bus safety training or receive bus safety instructional materials  
69.4 within four weeks of the first day of attendance. Upon request of the superintendent  
69.5 of schools, the school transportation safety director in each district must certify to the  
69.6 superintendent ~~of schools annually~~ that all students transported by school bus within  
69.7 the district have received the school bus safety training according to this section. Upon  
69.8 request of the superintendent of the school district where the nonpublic school is located,  
69.9 the principal or other chief administrator of each nonpublic school must certify ~~annually~~ to  
69.10 the school transportation safety director of the district in which the school is located that  
69.11 the school's students transported by school bus at public expense have received training  
69.12 according to this section.

69.13 (d) A district and a nonpublic school with students transported by school bus at  
69.14 public expense may provide kindergarten pupils with bus safety training before the first  
69.15 day of school.

69.16 (e) A district and a nonpublic school with students transported by school bus at  
69.17 public expense may also provide student safety education for bicycling and pedestrian  
69.18 safety, for students enrolled in kindergarten through grade 5.

69.19 (f) A district and a nonpublic school with students transported by school bus at  
69.20 public expense must make reasonable accommodations for the school bus safety training  
69.21 of pupils known to speak English as a second language and pupils with disabilities.

69.22 (g) The district and a nonpublic school with students transported by school bus at  
69.23 public expense must provide students enrolled in kindergarten through grade 3 school bus  
69.24 safety training twice during the school year.

69.25 (h) A district and a nonpublic school with students transported by school bus at public  
69.26 expense must conduct a school bus evacuation drill at least once during the school year.

69.27 **EFFECTIVE DATE. This section is effective July 1, 2006.**

69.28 Sec. 19. Minnesota Statutes 2004, section 123B.91, is amended by adding a  
69.29 subdivision to read:

69.30 **Subd. 1a. Compliance by nonpublic and charter school students. A nonpublic or**  
69.31 **charter school student transported by a public school district shall comply with student bus**  
69.32 **conduct and student bus discipline policies of the transporting public school district.**

69.33 **EFFECTIVE DATE. This section is effective July 1, 2006.**

70.1 Sec. 20. Minnesota Statutes 2005 Supplement, section 123B.92, subdivision 1, is  
70.2 amended to read:

70.3 Subdivision 1. **Definitions.** For purposes of this section and section 125A.76, the  
70.4 terms defined in this subdivision have the meanings given to them.

70.5 (a) "Actual expenditure per pupil transported in the regular and excess transportation  
70.6 categories" means the quotient obtained by dividing:

70.7 (1) the sum of:

70.8 (i) all expenditures for transportation in the regular category, as defined in paragraph  
70.9 (b), clause (1), and the excess category, as defined in paragraph (b), clause (2), plus

70.10 (ii) an amount equal to one year's depreciation on the district's school bus fleet  
70.11 and mobile units computed on a straight line basis at the rate of 15 percent per year for  
70.12 districts operating a program under section 124D.128 for grades 1 to 12 for all students in  
70.13 the district and 12-1/2 percent per year for other districts of the cost of the fleet, plus

70.14 (iii) an amount equal to one year's depreciation on the district's type three school  
70.15 buses, as defined in section 169.01, subdivision 6, clause (5), which must be used a  
70.16 majority of the time for pupil transportation purposes, computed on a straight line basis at  
70.17 the rate of 20 percent per year of the cost of the type three school buses by:

70.18 (2) the number of pupils eligible for transportation in the regular category, as defined  
70.19 in paragraph (b), clause (1), and the excess category, as defined in paragraph (b), clause (2).

70.20 (b) "Transportation category" means a category of transportation service provided to  
70.21 pupils as follows:

70.22 (1) Regular transportation is:

70.23 (i) transportation to and from school during the regular school year for resident  
70.24 elementary pupils residing one mile or more from the public or nonpublic school they  
70.25 attend, and resident secondary pupils residing two miles or more from the public  
70.26 or nonpublic school they attend, excluding desegregation transportation and noon  
70.27 kindergarten transportation; but with respect to transportation of pupils to and from  
70.28 nonpublic schools, only to the extent permitted by sections 123B.84 to 123B.87;

70.29 (ii) transportation of resident pupils to and from language immersion programs;

70.30 (iii) transportation of a pupil who is a custodial parent and that pupil's child between  
70.31 the pupil's home and the child care provider and between the provider and the school, if  
70.32 the home and provider are within the attendance area of the school;

70.33 (iv) transportation to and from or board and lodging in another district, of resident  
70.34 pupils of a district without a secondary school; and

70.35 (v) transportation to and from school during the regular school year required under  
70.36 subdivision 3 for nonresident elementary pupils when the distance from the attendance

71.1 area border to the public school is one mile or more, and for nonresident secondary pupils  
71.2 when the distance from the attendance area border to the public school is two miles or  
71.3 more, excluding desegregation transportation and noon kindergarten transportation.

71.4 For the purposes of this paragraph, a district may designate a licensed day care  
71.5 facility, school day care facility, respite care facility, the residence of a relative, or the  
71.6 residence of a person chosen by the pupil's parent or guardian as the home of a pupil for  
71.7 part or all of the day, if requested by the pupil's parent or guardian, and if that facility or  
71.8 residence is within the attendance area of the school the pupil attends.

71.9 (2) Excess transportation is:

71.10 (i) transportation to and from school during the regular school year for resident  
71.11 secondary pupils residing at least one mile but less than two miles from the public or  
71.12 nonpublic school they attend, and transportation to and from school for resident pupils  
71.13 residing less than one mile from school who are transported because of extraordinary  
71.14 traffic, drug, or crime hazards; and

71.15 (ii) transportation to and from school during the regular school year required under  
71.16 subdivision 3 for nonresident secondary pupils when the distance from the attendance area  
71.17 border to the school is at least one mile but less than two miles from the public school  
71.18 they attend, and for nonresident pupils when the distance from the attendance area border  
71.19 to the school is less than one mile from the school and who are transported because of  
71.20 extraordinary traffic, drug, or crime hazards.

71.21 (3) Desegregation transportation is transportation within and outside of the district  
71.22 during the regular school year of pupils to and from schools located outside their normal  
71.23 attendance areas under a plan for desegregation mandated by the commissioner or under  
71.24 court order.

71.25 (4) "Transportation services for pupils with disabilities" is:

71.26 (i) transportation of pupils with disabilities who cannot be transported on a regular  
71.27 school bus between home or a respite care facility and school;

71.28 (ii) necessary transportation of pupils with disabilities from home or from school to  
71.29 other buildings, including centers such as developmental achievement centers, hospitals,  
71.30 and treatment centers where special instruction or services required by sections 125A.03  
71.31 to 125A.24, 125A.26 to 125A.48, and 125A.65 are provided, within or outside the district  
71.32 where services are provided;

71.33 (iii) necessary transportation for resident pupils with disabilities required by sections  
71.34 125A.12, and 125A.26 to 125A.48;

71.35 (iv) board and lodging for pupils with disabilities in a district maintaining special  
71.36 classes;

72.1 (v) transportation from one educational facility to another within the district for  
72.2 resident pupils enrolled on a shared-time basis in educational programs, and necessary  
72.3 transportation required by sections 125A.18, and 125A.26 to 125A.48, for resident pupils  
72.4 with disabilities who are provided special instruction and services on a shared-time basis  
72.5 or if resident pupils are not transported, the costs of necessary travel between public  
72.6 and private schools or neutral instructional sites by essential personnel employed by the  
72.7 district's program for children with a disability;

72.8 (vi) transportation for resident pupils with disabilities to and from board and lodging  
72.9 facilities when the pupil is boarded and lodged for educational purposes; and

72.10 (vii) services described in clauses (i) to (vi), when provided for pupils with  
72.11 disabilities in conjunction with a summer instructional program that relates to the pupil's  
72.12 individual education plan or in conjunction with a learning year program established  
72.13 under section 124D.128.

72.14 For purposes of computing special education base revenue under section 125A.76,  
72.15 subdivision 2, the cost of providing transportation for children with disabilities includes  
72.16 (A) the additional cost of transporting a homeless student from a temporary nonshelter  
72.17 home in another district to the school of origin, or a formerly homeless student from a  
72.18 permanent home in another district to the school of origin but only through the end of the  
72.19 academic year; and (B) depreciation on district-owned school buses purchased after July 1,  
72.20 2005, and used primarily for transportation of pupils with disabilities, calculated according  
72.21 to paragraph (a), clauses (ii) and (iii). Depreciation costs included in the disabled  
72.22 transportation category must be excluded in calculating the actual expenditure per pupil  
72.23 transported in the regular and excess transportation categories according to paragraph (a).

72.24 (5) "Nonpublic nonregular transportation" is:

72.25 (i) transportation from one educational facility to another within the district for  
72.26 resident pupils enrolled on a shared-time basis in educational programs, excluding  
72.27 transportation for nonpublic pupils with disabilities under clause (4);

72.28 (ii) transportation within district boundaries between a nonpublic school and a  
72.29 public school or a neutral site for nonpublic school pupils who are provided pupil support  
72.30 services pursuant to section 123B.44; and

72.31 (iii) late transportation home from school or between schools within a district for  
72.32 nonpublic school pupils involved in after-school activities.

72.33 (c) "Mobile unit" means a vehicle or trailer designed to provide facilities for  
72.34 educational programs and services, including diagnostic testing, guidance and counseling  
72.35 services, and health services. A mobile unit located off nonpublic school premises is a  
72.36 neutral site as defined in section 123B.41, subdivision 13.

73.1 **EFFECTIVE DATE. This section is effective July 1, 2006.**

73.2 Sec. 21. Minnesota Statutes 2005 Supplement, section 123B.92, subdivision 5, is  
73.3 amended to read:

73.4 Subd. 5. **District reports.** (a) Each district must report data to the department as  
73.5 required by the department to account for transportation expenditures.

73.6 (b) Salaries and fringe benefits of district employees whose primary duties are  
73.7 other than transportation, including central office administrators and staff, building  
73.8 administrators and staff, teachers, social workers, school nurses, and instructional aides,  
73.9 must not be included in a district's transportation expenditures, except that a district may  
73.10 include salaries and benefits according to paragraph (c) for (1) an employee designated  
73.11 as the district transportation director, (2) an employee providing direct support to the  
12 transportation director, or (3) an employee providing direct transportation services such as  
73.13 a bus driver or bus aide.

73.14 (c) Salaries and fringe benefits of ~~other~~ the district employees listed in paragraph  
73.15 (b), clauses (1), (2), and (3), who work part time in transportation and part time in other  
73.16 areas must not be included in a district's transportation expenditures unless the district  
73.17 maintains documentation of the employee's time spent on pupil transportation matters in  
73.18 the form and manner prescribed by the department.

73.19 (d) Pupil transportation expenditures, excluding expenditures for capital outlay,  
73.20 leased buses, student board and lodging, crossing guards, and aides on buses, must  
73.21 be allocated among transportation categories based on cost-per-mile, cost-per-student,  
73.22 cost-per-hour, or cost-per-route, regardless of whether the transportation services are  
73.23 provided on district-owned or contractor-owned school buses. Expenditures for school  
73.24 bus driver salaries and fringe benefits may either be directly charged to the appropriate  
73.25 transportation category or may be allocated among transportation categories based  
73.26 on cost-per-mile, cost-per-student, cost-per-hour, or cost-per-route. Expenditures  
73.27 by private contractors or individuals who provide transportation exclusively in one  
73.28 transportation category must be charged directly to the appropriate transportation category.  
73.29 Transportation services provided by contractor-owned school bus companies incorporated  
73.30 under different names but owned by the same individual or group of individuals must be  
73.31 treated as the same company for cost allocation purposes.

32 **EFFECTIVE DATE. This section is effective for fiscal year 2006.**

73.33 Sec. 22. Minnesota Statutes 2004, section 124D.095, subdivision 3, is amended to read:

74.1           Subd. 3. **Authorization; notice; limitations on enrollment.** (a) A student may  
74.2 apply to an on-line learning provider to enroll in on-line learning. A student age 17 or  
74.3 younger must have the written consent of a parent or guardian to apply. No school district  
74.4 or charter school may prohibit a student from applying to enroll in on-line learning. An  
74.5 on-line learning provider that accepts a student under this section must, within ten days,  
74.6 notify the student and the enrolling district if the enrolling district is not the on-line  
74.7 learning provider. The notice must report the student's course or program and hours  
74.8 of instruction.

74.9           (b) An on-line learning student must notify the enrolling district at least ~~30~~ 45  
74.10 days before taking an on-line learning course or program ~~if the enrolling district is not~~  
74.11 ~~providing the on-line learning.~~ An on-line learning provider must notify the commissioner  
74.12 that it is delivering on-line learning and report the number of on-line learning students it is  
74.13 accepting and the on-line learning courses and programs it is delivering.

74.14           (c) An on-line learning provider may limit enrollment if the provider's school board  
74.15 or board of directors adopts by resolution specific standards for accepting and rejecting  
74.16 students' applications.

74.17           (d) An enrolling district may reduce an on-line learning student's regular classroom  
74.18 instructional membership in proportion to the student's membership in on-line learning  
74.19 courses.

74.20           Sec. 23. Minnesota Statutes 2005 Supplement, section 124D.095, subdivision 4,  
74.21 is amended to read:

74.22           Subd. 4. **Online learning parameters.** (a) An online learning student must receive  
74.23 academic credit for completing the requirements of an online learning course or program.  
74.24 Secondary credits granted to an online learning student must be counted toward the  
74.25 graduation and credit requirements of the enrolling district. The enrolling district must  
74.26 apply the same graduation requirements to all students, including online learning students,  
74.27 and must continue to provide nonacademic services to online learning students. If a  
74.28 student completes an online learning course or program that meets or exceeds a graduation  
74.29 standard or grade progression requirement at the enrolling district, that standard or  
74.30 requirement is met. The enrolling district must use the same criteria for accepting online  
74.31 learning credits or courses as it does for accepting credits or courses for transfer students  
74.32 under section 124D.03, subdivision 9. The enrolling district may reduce the teacher  
74.33 contact time of an online learning student in proportion to the number of online learning  
74.34 courses the student takes from an online learning provider that is not the enrolling district.

74.35           (b) An online learning student may:

75.1 (1) enroll during a single school year in a maximum of 12 semester-long courses or  
75.2 their equivalent delivered by an online learning provider or the enrolling district;

75.3 (2) complete course work at a grade level that is different from the student's current  
75.4 grade level; and

75.5 (3) enroll in additional courses with the online learning provider under a separate  
75.6 agreement that includes terms for payment of any tuition or course fees.

75.7 ~~(c) A student with a disability may enroll in an online learning course or program~~  
75.8 ~~if the student's IEP team determines that online learning is appropriate education for~~  
75.9 ~~the student.~~

75.10 ~~(d)~~ (c) An online learning student has the same access to the computer hardware  
75.11 and education software available in a school as all other students in the enrolling district.  
75.12 An online learning provider must assist an online learning student whose family qualifies  
75.13 for the education tax credit under section 290.0674 to acquire computer hardware and  
75.14 educational software for online learning purposes.

75.15 ~~(e)~~ (d) An enrolling district may offer online learning to its enrolled students.  
75.16 Such online learning does not generate online learning funds under this section. An  
75.17 enrolling district that offers online learning only to its enrolled students is not subject  
75.18 to the reporting requirements or review criteria under subdivision 7. A teacher with a  
75.19 Minnesota license must assemble and deliver instruction to enrolled students receiving  
75.20 online learning from an enrolling district. The delivery of instruction occurs when the  
75.21 student interacts with the computer or the teacher and receives ongoing assistance and  
75.22 assessment of learning. The instruction may include curriculum developed by persons  
75.23 other than a teacher with a Minnesota license.

75.24 ~~(f)~~ (e) An online learning provider that is not the enrolling district is subject to  
75.25 the reporting requirements and review criteria under subdivision 7. A teacher with a  
75.26 Minnesota license must assemble and deliver instruction to online learning students. The  
75.27 delivery of instruction occurs when the student interacts with the computer or the teacher  
75.28 and receives ongoing assistance and assessment of learning. The instruction may include  
75.29 curriculum developed by persons other than a teacher with a Minnesota license. Unless  
75.30 the commissioner grants a waiver, a teacher providing online learning instruction must not  
75.31 instruct more than 40 students in any one online learning course or program.

75.32 Sec. 24. Minnesota Statutes 2004, section 124D.096, is amended to read:

75.33 **124D.096 ON-LINE LEARNING AID.**

75.34 (a) The on-line learning aid for an on-line learning provider equals the product  
75.35 of the adjusted on-line learning average daily membership for students under section



76.1 124D.095, subdivision 8, paragraph (d), times the student grade level weighting under  
76.2 section 126C.05, subdivision 1, times the formula allowance.

76.3 (b) Notwithstanding section 127A.45, the department must pay each on-line learning  
76.4 provider ~~80 percent of the current year aid payment percentage multiplied by the amount~~  
76.5 in paragraph (a) within 45 days of receiving final enrollment and course completion  
76.6 information each quarter or semester. ~~A final payment equal to 20 percent of the amount in~~  
76.7 ~~paragraph (a)~~ The final adjustment payment must be the amount of the actual entitlement,  
76.8 after adjustment for actual data, minus the payments made during the fiscal year of the  
76.9 entitlement. This payment must be made on September 30 of the next fiscal year.

76.10 Sec. 25. Minnesota Statutes 2004, section 124D.10, subdivision 16, is amended to read:

76.11 Subd. 16. **Transportation.** (a) ~~By July 1 of each year, a charter school~~ A charter  
76.12 school after its first fiscal year of operation by March 1 of each fiscal year and a charter  
76.13 school by July 1 of its first fiscal year of operation must notify the district in which the  
76.14 school is located and the Department of Education if it will provide ~~transportation for~~  
76.15 ~~pupils enrolled in the school~~ its own transportation or use the transportation services of the  
76.16 district in which it is located for the fiscal year.

76.17 (b) If a charter school elects to provide transportation for pupils, the transportation  
76.18 must be provided by the charter school within the district in which the charter school is  
76.19 located. The state must pay transportation aid to the charter school according to section  
76.20 124D.11, subdivision 2.

76.21 For pupils who reside outside the district in which the charter school is located, the  
76.22 charter school is not required to provide or pay for transportation between the pupil's  
76.23 residence and the border of the district in which the charter school is located. A parent  
76.24 may be reimbursed by the charter school for costs of transportation from the pupil's  
76.25 residence to the border of the district in which the charter school is located if the pupil is  
76.26 from a family whose income is at or below the poverty level, as determined by the federal  
76.27 government. The reimbursement may not exceed the pupil's actual cost of transportation  
76.28 or 15 cents per mile traveled, whichever is less. Reimbursement may not be paid for  
76.29 more than 250 miles per week.

76.30 At the time a pupil enrolls in a charter school, the charter school must provide the  
76.31 parent or guardian with information regarding the transportation.

76.32 (c) If a charter school does not elect to provide transportation, transportation for  
76.33 pupils enrolled at the school must be provided by the district in which the school is  
76.34 located, according to sections 123B.88, subdivision 6, and 124D.03, subdivision 8, for a  
76.35 pupil residing in the same district in which the charter school is located. Transportation

77.1 may be provided by the district in which the school is located, according to sections  
 77.2 123B.88, subdivision 6, and 124D.03, subdivision 8, for a pupil residing in a different  
 77.3 district. If the district provides the transportation, the scheduling of routes, manner and  
 77.4 method of transportation, control and discipline of the pupils, and any other matter relating  
 77.5 to the transportation of pupils under this paragraph shall be within the sole discretion,  
 77.6 control, and management of the district.

77.7 Sec. 26. Minnesota Statutes 2004, section 124D.11, subdivision 9, is amended to read:

77.8 Subd. 9. **Payment of aids to charter schools.** (a) Notwithstanding section 127A.45,  
 77.9 subdivision 3, aid payments for the current fiscal year to a charter school not in its first  
 77.10 year of operation shall be of an equal amount on each of the 23 payment dates. A charter  
 77.11 school in its first year of operation shall receive, on its first payment date, ten percent of its  
 77.12 cumulative amount guaranteed for the year and 22 payments of an equal amount thereafter  
 77.13 the sum of which shall be ~~90 percent of~~ equal the current year aid payment percentage  
 77.14 multiplied by the cumulative amount guaranteed.

77.15 (b) Notwithstanding paragraph (a), for a charter school ceasing operation prior to the  
 77.16 end of a school year, ~~80 percent of~~ the current year aid payment percentage multiplied by  
 77.17 the amount due for the school year may be paid to the school after audit of prior fiscal year  
 77.18 and current fiscal year pupil counts. For a charter school ceasing operations prior to, or at  
 77.19 the end of, a school year, notwithstanding section 127A.45, subdivision 3, preliminary  
 77.20 final payments may be made after audit of pupil counts, monitoring of special education  
 77.21 expenditures, and documentation of lease expenditures for the final year of operation.  
 77.22 Final payment may be made upon receipt of audited financial statements under section  
 77.23 123B.77, subdivision 3.

77.24 (c) Notwithstanding section 127A.45, subdivision 3, and paragraph (a), 80 percent  
 77.25 of the start-up cost aid under subdivision 8 shall be paid within 45 days after the first day  
 77.26 of student attendance for that school year.

77.27 (d) In order to receive state aid payments under this subdivision, a charter school in  
 77.28 its first three years of operation must submit a school calendar in the form and manner  
 77.29 requested by the department and a quarterly report to the Department of Education. The  
 77.30 report must list each student by grade, show the student's start and end dates, if any,  
 77.31 with the charter school, and for any student participating in a learning year program,  
 77.32 the report must list the hours and times of learning year activities. The report must be  
 77.33 submitted not more than two weeks after the end of the calendar quarter to the department.  
 77.34 The department must develop a Web-based reporting form for charter schools to use  
 77.35 when submitting enrollment reports. A charter school in its fourth and subsequent year of

78.1 operation must submit a school calendar and enrollment information to the department in  
78.2 the form and manner requested by the department.

78.3 (e) Notwithstanding sections 317A.701 to 317A.791, upon closure of a charter  
78.4 school and satisfaction of creditors, cash and investment balances remaining shall be  
78.5 returned to the state.

78.6 Sec. 27. Minnesota Statutes 2004, section 124D.61, is amended to read:

78.7 **124D.61 GENERAL REQUIREMENTS FOR PROGRAMS.**

78.8 A district ~~which receives aid pursuant to section 124D.65 must comply with that~~  
78.9 enrolls one or more children of limited English proficiency must implement an educational  
78.10 program that includes at a minimum the following program requirements:

78.11 (1) identification and reclassification criteria for children of limited English  
78.12 proficiency and program entrance and exit criteria for children with limited English  
78.13 proficiency must be documented by the district, applied uniformly to children of limited  
78.14 English proficiency, and made available to parents and other stakeholders upon request;

78.15 (2) a written plan of services that describes programming by English proficiency  
78.16 level made available to parents upon request. The plan must articulate the amount and  
78.17 scope of service offered to children of limited English proficiency through an educational  
78.18 program for children of limited English proficiency;

78.19 (3) professional development opportunities for ESL, bilingual education,  
78.20 mainstream, and all staff working with children of limited English proficiency which are:

78.21 (i) coordinated with the district's professional development activities; (ii) related to the  
78.22 needs of children of limited English proficiency; and (iii) ongoing;

78.23 (4) to the extent possible, the district must avoid isolating children of limited English  
78.24 proficiency for a substantial part of the school day; and

78.25 ~~(2)~~ (5) in predominantly nonverbal subjects, such as art, music, and physical  
78.26 education, permit pupils of limited English proficiency ~~shall be permitted~~ to participate  
78.27 fully and on an equal basis with their contemporaries in public school classes provided  
78.28 for these subjects. To the extent possible, the district must assure to pupils enrolled in a  
78.29 program for limited English proficient students an equal and meaningful opportunity to  
78.30 participate fully with other pupils in all extracurricular activities.

78.31 Sec. 28. Minnesota Statutes 2004, section 125A.02, subdivision 1, is amended to read:

78.32 **Subdivision 1. Child with a disability.** Every child who has a hearing impairment,  
78.33 blindness, visual disability, speech or language impairment, physical handicap, other  
78.34 health impairment, mental handicap, emotional/behavioral disorder, specific learning

79.1 disability, autism, traumatic brain injury, multiple disabilities, or deaf/blind disability and  
 79.2 needs special instruction and services, as determined by the standards of the commissioner,  
 79.3 is a child with a disability. In addition, every child under age three, and at local district  
 79.4 discretion from age three to age seven, who needs special instruction and services, as  
 79.5 determined by the standards of the commissioner, because the child has a substantial delay  
 79.6 or has an identifiable physical or mental condition known to hinder normal development is  
 79.7 a child with a disability.

79.8 **EFFECTIVE DATE.** This section is effective the day following final enactment.

79.9 Sec. 29. Minnesota Statutes 2004, section 125A.75, is amended by adding a  
 79.10 subdivision to read:

79.11 **Subd. 9. Litigation costs; annual report.** (a) By November 30 of each year,  
 79.12 a school district must annually report the district's special education litigation costs,  
 79.13 including attorney fees and costs of due process hearings, to the commissioner of  
 79.14 education, consistent with the Uniform Financial Accounting and Reporting Standards.

79.15 (b) By January 15 of each year, the commissioner shall report school district special  
 79.16 education litigation costs to the house of representatives and the senate committees having  
 79.17 jurisdiction over kindergarten through grade 12 education finance.

79.18 Sec. 30. Minnesota Statutes 2004, section 169.01, subdivision 6, is amended to read:

79.19 **Subd. 6. School bus.** "School bus" means a motor vehicle used to transport pupils  
 79.20 to or from a school defined in section 120A.22, or to or from school-related activities, by  
 79.21 the school or a school district, or by someone under an agreement with the school or a  
 79.22 school district. A school bus does not include a motor vehicle transporting children to or  
 79.23 from school for which parents or guardians receive direct compensation from a school  
 79.24 district, a motor coach operating under charter carrier authority, a transit bus providing  
 79.25 services as defined in section 174.22, subdivision 7, a multifunction school activity bus  
 79.26 as defined by federal motor vehicle safety standards, or a vehicle otherwise qualifying  
 79.27 as a type III vehicle under paragraph (5), when the vehicle is properly registered and  
 79.28 insured and being driven by an employee or agent of a school district for nonscheduled  
 79.29 or nonregular transportation. A school bus may be type A, type B, type C, or type D, or  
 79.30 type III as follows:

79.31 (1) A "type A school bus" is a ~~van~~ conversion ~~or~~ bus constructed utilizing a cutaway  
 79.32 front section vehicle with a left-side driver's door. ~~The entrance door is behind the front~~  
 79.33 ~~wheels.~~ This definition includes two classifications: type A-I, with a gross vehicle weight

80.1 rating (GVWR) ~~less than or equal to 10,000~~ 14,500 pounds or less; and type A-II, with a  
 80.2 GVWR greater than ~~10,000~~ 14,500 pounds and less than or equal to 21,500 pounds.

80.3 (2) A "type B school bus" is constructed utilizing a stripped chassis. The entrance  
 80.4 door is behind the front wheels. This definition includes two classifications: type B-I,  
 80.5 with a GVWR less than or equal to 10,000 pounds; and type B-II, with a GVWR greater  
 80.6 than 10,000 pounds.

80.7 (3) A "type C school bus" is constructed utilizing a chassis with a hood and front  
 80.8 fender assembly. The entrance door is behind the front wheels. A "type C school bus" also  
 80.9 includes a cutaway truck chassis or truck chassis with cab with or without a left side door  
 80.10 and with a GVWR greater than 21,500 pounds.

80.11 (4) A "type D school bus" is constructed utilizing a stripped chassis. The entrance  
 80.12 door is ahead of the front wheels.

80.13 (5) Type III school buses and type III Head Start buses are restricted to passenger  
 80.14 cars, station wagons, vans, and buses having a maximum manufacturer's rated seating  
 80.15 capacity of ten or fewer people, including the driver, and a gross vehicle weight rating of  
 80.16 10,000 pounds or less. In this subdivision, "gross vehicle weight rating" means the value  
 80.17 specified by the manufacturer as the loaded weight of a single vehicle. A "type III school  
 80.18 bus" and "type III Head Start bus" must not be outwardly equipped and identified as a type  
 80.19 A, B, C, or D school bus or type A, B, C, or D Head Start bus. A van or bus converted to a  
 80.20 seating capacity of ten or fewer and placed in service on or after August 1, 1999, must  
 80.21 have been originally manufactured to comply with the passenger safety standards.

80.22 **EFFECTIVE DATE.** This section is effective January 1, 2007.

80.23 Sec. 31. Minnesota Statutes 2004, section 169.447, subdivision 2, is amended to read:

80.24 Subd. 2. **Driver seat belt.** ~~New~~ School buses and Head Start buses manufactured  
 80.25 after December 31, 1994, must be equipped with driver seat belts and seat belt assemblies  
 80.26 of the type described in section 169.685, subdivision 3. School bus drivers and Head  
 80.27 Start bus drivers must use these seat belts.

80.28 **EFFECTIVE DATE.** This section is effective July 1, 2006.

80.29 Sec. 32. Minnesota Statutes 2004, section 169.4501, subdivision 1, is amended to read:

80.30 Subdivision 1. **National standards adopted.** Except as provided in sections  
 80.31 169.4502 and 169.4503, the construction, design, equipment, and color of types A,  
 80.32 B, C, and D school buses used for the transportation of school children shall meet the  
 80.33 requirements of the "bus chassis standards" and "bus body standards" in the ~~2000~~ 2005

81.1 edition of the "National School Transportation Specifications and Procedures" adopted  
 81.2 by the National ~~Conference~~ Congress on School Transportation. Except as provided  
 81.3 in section 169.4504, the construction, design, and equipment of types A, B, C, and D  
 81.4 school buses used for the transportation of students with disabilities also shall meet the  
 81.5 requirements of the "specially equipped school bus standards" in the ~~2000~~ 2005 National  
 81.6 School Transportation Specifications and Procedures. The "bus chassis standards," "bus  
 81.7 body standards," and "specially equipped school bus standards" sections of the ~~2000~~  
 81.8 2005 edition of the "National School Transportation Specifications and Procedures" are  
 81.9 incorporated by reference in this chapter.

81.10 **EFFECTIVE DATE.** This section is effective January 1, 2007.

81.11 Sec. 33. Minnesota Statutes 2004, section 169.4501, subdivision 2, is amended to read:

81.12 Subd. 2. **Applicability.** (a) The standards adopted in this section and sections  
 81.13 169.4502 and 169.4503, govern the construction, design, equipment, and color of school  
 81.14 buses used for the transportation of school children, when owned or leased and operated  
 81.15 by a school or privately owned or leased and operated under a contract with a school.  
 81.16 Each school, its officers and employees, and each person employed under the contract is  
 81.17 subject to these standards.

81.18 (b) The standards apply to school buses manufactured after ~~October 31, 2004~~  
 81.19 December 31, 2006. Buses complying with the standards when manufactured need not  
 81.20 comply with standards established later except as specifically provided for by law.

81.21 (c) A school bus manufactured on or before ~~October 31, 2004~~ December 31,  
 81.22 2006, must conform to the Minnesota standards in effect on the date the vehicle was  
 81.23 manufactured except as specifically provided for in law.

81.24 (d) A new bus body may be remounted on a used chassis provided that the remounted  
 81.25 vehicle meets state and federal standards for new buses which are current at the time of the  
 81.26 remounting. Permission must be obtained from the commissioner of public safety before  
 81.27 the remounting is done. A used bus body may not be remounted on a new or used chassis.

81.28 **EFFECTIVE DATE.** This section is effective January 1, 2007.

81.29 Sec. 34. Minnesota Statutes 2004, section 169.4502, subdivision 5, is amended to read:

81.30 Subd. 5. **Electrical system; battery.** (a) The storage battery, as established by the  
 1 manufacturer's rating, must be of sufficient capacity to care for starting, lighting, signal  
 81.32 devices, heating, and other electrical equipment. In a bus with a gas-powered chassis, the  
 81.33 battery or batteries must provide a minimum of 800 cold cranking amperes. In a bus

82.1 with a diesel-powered chassis, the battery or batteries must provide a minimum of 1050  
82.2 cold cranking amperes.

82.3 (b) In a type B bus with a gross vehicle weight rating of 15,000 pounds or more, and  
82.4 type C and D buses, the battery shall be temporarily mounted on the chassis frame. The  
82.5 final location of the battery and the appropriate cable lengths in these buses must comply  
82.6 with the SBMI design objectives booklet.

82.7 (c) All batteries shall be mounted according to chassis manufacturers'  
82.8 recommendations.

82.9 (d) In a type C bus, other than are powered by diesel fuel, a battery providing at least  
82.10 550 cold cranking amperes may be installed in the engine compartment only if used in  
82.11 combination with a generator or alternator of at least ~~120~~ 130 amperes.

82.12 (e) A bus with a gross vehicle weight rating of 15,000 pounds or less may be  
82.13 equipped with a battery to provide a minimum of 550 cold cranking amperes only if used  
82.14 in combination with an alternator of at least ~~80~~ 130 amperes. This paragraph does not  
82.15 apply to those buses with wheelchair lifts or diesel engines.

82.16 **EFFECTIVE DATE.** This section is effective January 1, 2007.

82.17 Sec. 35. Minnesota Statutes 2004, section 169.4503, subdivision 20, is amended to  
82.18 read:

82.19 Subd. 20. **Seat and crash barriers.** (a) All restraining barriers and passenger seats  
82.20 shall be covered with a material that has fire retardant or fire block characteristics.

82.21 (b) All seats must have a minimum cushion depth of 15 inches and a seat back  
82.22 height of at least 20 inches above the seating reference point.

82.23 **EFFECTIVE DATE.** This section is effective January 1, 2007.

82.24 Sec. 36. Minnesota Statutes 2004, section 171.321, subdivision 4, is amended to read:

82.25 Subd. 4. **Training.** (a) No person shall drive a class A, B, C, or D school bus when  
82.26 transporting school children to or from school or upon a school-related trip or activity  
82.27 without having demonstrated sufficient skills and knowledge to transport students in  
82.28 a safe and legal manner.

82.29 (b) A bus driver must have training or experience that allows the driver to meet at  
82.30 least the following competencies:

82.31 (1) safely operate the type of school bus the driver will be driving;

82.32 (2) understand student behavior, including issues relating to students with  
82.33 disabilities;

83.1 (3) encourage orderly conduct of students on the bus and handle incidents of  
83.2 misconduct appropriately;

83.3 (4) know and understand relevant laws, rules of the road, and local school bus  
83.4 safety policies;

83.5 (5) handle emergency situations; and

83.6 (6) safely load and unload students.

83.7 (c) The commissioner of public safety shall develop a comprehensive model  
83.8 school bus driver training program and model assessments for school bus driver training  
83.9 competencies, which are not subject to chapter 14. A school district, nonpublic school, or  
83.10 private contractor may use alternative assessments for bus driver training competencies  
83.11 with the approval of the commissioner of public safety. After completion of bus driver  
83.12 training competencies, a driver may receive at least eight hours of school bus in-service  
13 training any year as an alternative to being assessed for bus driver competencies. The  
83.14 employer shall keep the assessment and a record of the in-service training for the current  
83.15 period available for inspection by representatives of the commissioner.

83.16 **EFFECTIVE DATE.** This section is effective July 1, 2006.

83.17 Sec. 37. Minnesota Statutes 2004, section 171.321, subdivision 5, is amended to read:

83.18 Subd. 5. **Annual evaluation and license verification.** (a) A school district,  
83.19 nonpublic school, or private contractor shall provide in-service training ~~annually~~ by June  
83.20 30 of each year to each school bus driver.

83.21 (b) A school district, nonpublic school, or private contractor shall ~~annually~~ by June  
83.22 30 of each year verify the validity of the driver's license of each employee who regularly  
83.23 transports students for the district in a type A school bus, a type B school bus, a type C  
83.24 school bus, or type D school bus, or regularly transports students for the district in a type  
83.25 III vehicle with the National Driver Register or with the Department of Public Safety.

83.26 (c) Members of a nonprofit bus drivers' trade association under private contract  
83.27 with an independent school district shall not be charged a fee greater than the fee, if any,  
83.28 imposed upon an independent school district for accessing an employee's driver's license  
83.29 records from the Department of Public Safety in compliance with this section.

83.30 **EFFECTIVE DATE.** This section is effective July 1, 2006.

31 Sec. 38. Minnesota Statutes 2004, section 299F.30, is amended to read:

83.32 **299F.30 FIRE DRILL IN SCHOOL; DOORS AND EXITS.**



84.1           Subdivision 1. **Duties of fire marshal.** Consistent with this section and section  
84.2 121A.035, it shall be the duty of the state fire marshal, deputies and assistants, to require  
84.3 public and private schools and educational institutions to have ~~at least nine~~ fire drills  
84.4 each school year and to keep all doors and exits unlocked from the inside of the building  
84.5 during school hours. The fire marshal must require nonpublic schools and educational  
84.6 institutions not subject to section 121A.035 to have at least one fire drill each month  
84.7 during the school year.

84.8           Subd. 2. **Fire drill.** Each superintendent, principal or other person in charge of a  
84.9 public or private school, educational institution, children's home or orphanage housing 20  
84.10 or more students or other persons, shall instruct and train such students or other persons to  
84.11 quickly and expeditiously quit the premises in case of fire or other emergency by means of  
84.12 drills or rapid dismissals ~~at least once each month~~ while such school, institution, home or  
84.13 orphanage is in operation. Records of such drills shall be posted so that such records are  
84.14 available for review by the state fire marshal at all times and shall include the drill date  
84.15 and the time required to evacuate the building.

84.16           Subd. 3. **School doors and exits.** Consistent with this section and section  
84.17 121A.035, each superintendent, principal or other person in charge of a public or private  
84.18 school, educational institution, children's home or orphanage shall keep all doors and exits  
84.19 of such school, institution, home or orphanage unlocked so that persons can leave by such  
84.20 doors or exits at any time during the hours of normal operation.

84.21           **EFFECTIVE DATE.** This section is effective for the 2006-2007 school year and  
84.22 later.

84.23           Sec. 39. Minnesota Statutes 2005 Supplement, section 626.556, subdivision 3, is  
84.24 amended to read:

84.25           Subd. 3. **Persons mandated to report.** (a) Subject to paragraph (c), a person who  
84.26 knows or has reason to believe a child is being neglected or physically or sexually abused,  
84.27 as defined in subdivision 2, or has been neglected or physically or sexually abused within  
84.28 the preceding three years, shall immediately report the information to the local welfare  
84.29 agency, agency responsible for assessing or investigating the report, police department, or  
84.30 the county sheriff if the person is:

84.31           (1) a professional or professional's delegate who is engaged in the practice of  
84.32 the healing arts, social services, hospital administration, psychological or psychiatric  
84.33 treatment, child care, education, correctional supervision, probation and correctional  
84.34 services, or law enforcement; or

85.1 (2) employed as a member of the clergy and received the information while  
85.2 engaged in ministerial duties, provided that a member of the clergy is not required by  
85.3 this subdivision to report information that is otherwise privileged under section 595.02,  
85.4 subdivision 1, paragraph (c).

85.5 The police department or the county sheriff, upon receiving a report, shall  
85.6 immediately notify the local welfare agency or agency responsible for assessing or  
85.7 investigating the report, orally and in writing. The local welfare agency, or agency  
85.8 responsible for assessing or investigating the report, upon receiving a report, shall  
85.9 immediately notify the local police department or the county sheriff orally and in writing.  
85.10 The county sheriff and the head of every local welfare agency, agency responsible for  
85.11 assessing or investigating reports, and police department shall each designate a person  
85.12 within their agency, department, or office who is responsible for ensuring that the  
85.13 notification duties of this paragraph and paragraph (b) are carried out. Nothing in this  
85.14 subdivision shall be construed to require more than one report from any institution, facility,  
85.15 school, or agency. If the agency receiving a report determines that it is not responsible for  
85.16 assessing or investigating the report, the agency shall immediately notify the agency it  
85.17 determines is responsible for assessing or investigating the report under this section.

85.18 (b) Any person may voluntarily report to the local welfare agency, agency  
85.19 responsible for assessing or investigating the report, police department, or the county  
85.20 sheriff if the person knows, has reason to believe, or suspects a child is being or has been  
85.21 neglected or subjected to physical or sexual abuse. The police department or the county  
85.22 sheriff, upon receiving a report, shall immediately notify the local welfare agency or  
85.23 agency responsible for assessing or investigating the report, orally and in writing. The  
85.24 local welfare agency or agency responsible for assessing or investigating the report, upon  
85.25 receiving a report, shall immediately notify the local police department or the county  
85.26 sheriff orally and in writing.

85.27 (c) A person mandated to report physical or sexual child abuse or neglect occurring  
85.28 within a ~~licensed facility~~ or a school as defined under subdivision 3b, shall report the  
85.29 information to the agency responsible for licensing the facility under sections 144.50 to  
85.30 144.58; 241.021; 245A.01 to 245A.16; or chapter 245B; ~~or a nonlicensed personal care~~  
85.31 ~~provider organization as defined in sections 256B.04, subdivision 16; and 256B.0625,~~  
85.32 subdivision 19, or to the agency responsible for assessing or investigating the report, if the  
85.33 facility is not licensed. A health or corrections agency receiving a report may request the  
34 local welfare agency to provide assistance pursuant to subdivisions 10, 10a, and 10b. A  
85.35 board or other entity whose licensees perform work within a school facility, upon receiving  
85.36 a complaint of alleged maltreatment, shall provide information about the circumstances of

86.1 the alleged maltreatment to the commissioner of education. Section 13.03, subdivision 4,  
86.2 applies to data received by the commissioner of education from a licensing entity.

86.3 (d) Any person mandated to report shall receive a summary of the disposition of  
86.4 any report made by that reporter, including whether the case has been opened for child  
86.5 protection or other services, or if a referral has been made to a community organization,  
86.6 unless release would be detrimental to the best interests of the child. Any person who is  
86.7 not mandated to report shall, upon request to the local welfare agency, receive a concise  
86.8 summary of the disposition of any report made by that reporter, unless release would be  
86.9 detrimental to the best interests of the child.

86.10 (e) For purposes of this subdivision, "immediately" means as soon as possible but in  
86.11 no event longer than 24 hours.

86.12 Sec. 40. Minnesota Statutes 2004, section 626.556, subdivision 3b, is amended to read:

86.13 Subd. 3b. ~~Agency~~ **Department of Education** responsible for assessing or  
86.14 **investigating reports of maltreatment.** The Department of Education is the agency  
86.15 responsible for assessing or investigating allegations of child maltreatment in schools  
86.16 as defined in sections ~~120A.05, subdivisions 9, 11, and 13;~~ 120A.05, subdivisions 9,  
86.17 11, 13, and 17, and 124D.10, unless the alleged maltreatment occurred in a program or  
86.18 facility licensed by the commissioner of human services. "School" includes a school-age  
86.19 care program, Head Start program, early childhood family education program, school  
86.20 district-administered day treatment facility, or other program licensed or administered  
86.21 by the commissioner of education that provides services for minors and is located in  
86.22 or operated by a school.

86.23 Sec. 41. Minnesota Statutes 2004, section 626.556, subdivision 3c, is amended to read:

86.24 Subd. 3c. ~~Agency~~ **Local welfare agency, Department of Human Services,**  
86.25 **or Department of Health** responsible for assessing or investigating reports of  
86.26 **maltreatment.** ~~The following agencies are the administrative agencies responsible for~~  
86.27 ~~assessing or investigating reports of alleged child maltreatment in facilities made under~~  
86.28 ~~this section:~~

86.29 ~~(1)~~ (a) The county local welfare agency is the agency responsible for assessing or  
86.30 investigating:

86.31 (1) allegations of maltreatment in child foster care, family child care, and legally  
86.32 unlicensed child care and in juvenile correctional facilities licensed under section 241.021  
86.33 located in the local welfare agency's county; and

87.1 (2) other allegations of maltreatment that are not the responsibility of another agency  
87.2 under this subdivision or subdivision 3b.

87.3 ~~(2) (b)~~ The Department of Human Services is the agency responsible for assessing  
87.4 or investigating allegations of maltreatment in facilities licensed under chapters 245A and  
87.5 245B, except for child foster care and family child care, ~~and.~~

87.6 ~~(2) (c)~~ The Department of Health is the agency responsible for assessing or  
87.7 investigating allegations of child maltreatment in facilities licensed under sections 144.50  
87.8 to 144.58, and in unlicensed home health care.

87.9 Sec. 42. Laws 2005, First Special Session chapter 5, article 2, section 84, subdivision  
87.10 13, is amended to read:

87.11  
87.12 **Subd. 13. Examination fees; teacher training and support programs.** (a) For  
87.13 students' advanced placement and international baccalaureate examination fees under  
87.14 Minnesota Statutes, section 120B.13, subdivision 3, and the training and related costs  
87.15 for teachers and other interested educators under Minnesota Statutes, section 120B.13,  
87.16 subdivision 1:

87.17 \$ 4,500,000 ..... 2006

87.18 \$ 4,500,000 ..... 2007

87.19 (b) The advanced placement program shall receive 75 percent of the appropriation  
87.20 each year and the international baccalaureate program shall receive 25 percent of the  
87.21 appropriation each year. The department, in consultation with representatives of the  
87.22 advanced placement and international baccalaureate programs selected by the Advanced  
87.23 Placement Advisory Council and IBMN, respectively, shall determine the amounts of  
87.24 the expenditures each year for examination fees and training and support programs for  
87.25 each program.

87.26 (c) Notwithstanding Minnesota Statutes, section 120B.13, subdivision 1, at least  
87.27 \$500,000 each year is for teachers to attend subject matter summer training programs  
87.28 and follow-up support workshops approved by the advanced placement or international  
87.29 baccalaureate programs. ~~The amount of the subsidy for each teacher attending an~~  
87.30 ~~advanced placement or international baccalaureate summer training program or workshop~~  
87.31 ~~shall be the same. The commissioner shall determine the payment process and the amount~~  
87.32 ~~of the subsidy.~~ Teachers shall apply for teacher training scholarships to prepare for  
87.33 teaching in the advanced placement or international baccalaureate program. Any reserved

88.1 funding not expended for teacher training may be used for exam fees and other support  
88.2 programs for each program.

88.3 (d) The commissioner shall pay all examination fees for all students of low-income  
88.4 families under Minnesota Statutes, section 120B.13, subdivision 3, and to the extent  
88.5 of available appropriations shall also pay examination fees for students sitting for an  
88.6 advanced placement examination, international baccalaureate examination, or both.

88.7 Any balance in the first year does not cancel but is available in the second year.

88.8 EFFECTIVE DATE. This section is effective the day following final enactment.

88.9 Sec. 43. RULE ON VISUALLY IMPAIRED TO INCLUDE REFERENCES TO  
88.10 "BLIND" AND "BLINDNESS."

88.11 The commissioner of education, where appropriate, must incorporate references to  
88.12 "blind" and "blindness" into the definition of visually impaired under Minnesota Rules,  
88.13 part 3525.1345, and amend the rule title to include the word "blind."

88.14 EFFECTIVE DATE. This section is effective the day following final enactment.

88.15 Sec. 44. PILOT PROGRAM TO FACILITATE YOUNG CHILDREN'S SECOND  
88.16 LANGUAGE LEARNING AND STRONGER LITERACY AND VERBAL SKILLS.

88.17 (a) A pilot program for fiscal year 2007 is established to allow school districts to  
88.18 use child-relevant American sign language to encourage children in kindergarten through  
88.19 grade 3 to learn a second language and develop stronger literacy and verbal skills and  
88.20 better classroom attention. School districts that have (1) child care centers or Head Start  
88.21 classrooms, (2) English language learners, foreign language classrooms, or language  
88.22 immersion programs, (3) resident families with internationally adopted children, or (4)  
88.23 classrooms in which children with special needs are served may apply to the education  
88.24 commissioner, in the form and manner the commissioner determines, for a pilot program  
88.25 grant. School districts that receive a grant under this section must use the grant to train  
88.26 education staff who work with children in kindergarten through grade 3, including  
88.27 at least classroom teachers, teachers' assistants, ESL teachers, and special education  
88.28 teachers to use 600 child-relevant signs in sign language to help hearing students acquire  
88.29 vocabulary quickly and easily, become better problem solvers, become creative thinkers  
88.30 and communicators and better prepared academically, and to use effective strategies to  
88.31 incorporate sign language into classroom instruction.

88.32 (b) The commissioner may award grants to qualified school districts on a first-come  
88.33 first-served basis to allow training for 1,000 education staff under this section.

89.1 (c) The commissioner shall provide for an independent evaluation of the efficacy  
 89.2 of the pilot program under this section and shall recommend to the education policy and  
 89.3 finance committees of the legislature by February 15, 2008, whether or not the program  
 89.4 should be continued and expanded.

89.5 Sec. 45. **CHINESE LANGUAGE PROGRAMS; CURRICULUM**  
 89.6 **DEVELOPMENT PROJECT.**

89.7 Subdivision 1. Project parameters. (a) Notwithstanding other law to the contrary,  
 89.8 the commissioner of education may contract with the Board of Regents of the University  
 89.9 of Minnesota or other Minnesota public entity the commissioner determines is qualified  
 89.10 to undertake the development of an articulated K-12 Chinese curriculum for Minnesota  
 89.11 schools that involves:

89.12 (1) creating a network of Chinese teachers and educators able to develop new and  
 89.13 modify or expand existing world languages K-12 curricula, materials, assessments, and  
 89.14 best practices needed to provide Chinese language instruction to students; and

89.15 (2) coordinating statewide efforts to develop and expand Chinese language  
 89.16 instruction so that it is uniformly available to students throughout the state, and making  
 89.17 innovative use of media and technology, including television, distance learning, and online  
 89.18 courses to broaden students' access to the instruction.

89.19 (b) The entity with which the commissioner contracts under paragraph (a) must have  
 89.20 sufficient knowledge and expertise to ensure the professional development of appropriate,  
 89.21 high-quality curricula, supplementary materials, aligned assessments, and best practices  
 89.22 that accommodate different levels of student ability and types of programs.

89.23 (c) Project participants must:

89.24 (1) work throughout the project to develop curriculum, supplementary materials,  
 89.25 aligned assessments, and best practices; and

89.26 (2) make curriculum, supplementary materials, aligned assessments, and best  
 89.27 practices equitably available to Minnesota schools and students.

89.28 Subd. 2. Project participants. The entity with which the commissioner contracts  
 89.29 must work with the network of Chinese teachers and educators to:

89.30 (1) conduct an inventory of Chinese language curricula, supplementary materials,  
 89.31 and professional development initiatives currently used in Minnesota or other states;

89.32 (2) develop Chinese language curricula and benchmarks aligned to local world  
 3 language standards and classroom-based assessments; and

89.34 (3) review and recommend to the commissioner how best to build an educational  
 89.35 infrastructure to provide more students with Chinese language instruction, including

90.1 how to develop and provide: (i) an adequate supply of Chinese language teachers; (ii)  
 90.2 an adequate number of high-quality school programs; (iii) appropriate curriculum,  
 90.3 instructional materials, and aligned assessments that include technology-based delivery  
 90.4 systems; (iv) teacher preparation programs to train Chinese language teachers; (v)  
 90.5 expedited licensing of Chinese language teachers; (vi) best practices in existing  
 90.6 educational programs that can be used to establish K-12 Chinese language programs;  
 90.7 and (vii) technical assistance resources.

90.8 **EFFECTIVE DATE.** This section is effective the day following final enactment.

90.9 **Sec. 46. 2006 SCHOOL ACCOUNTABILITY REPORT.**

90.10 Notwithstanding Minnesota Statutes, section 120B.36, for 2006 reporting only, the  
 90.11 Department of Education may delay the release to the public and the posting of the 2006  
 90.12 school performance report cards and adequate yearly progress data on its public Web  
 90.13 site to no later than November 30, 2006.

90.14 **Sec. 47. NORTHWESTERN ONLINE COLLEGE IN THE HIGH SCHOOL**  
 90.15 **PROGRAM.**

90.16 For fiscal year 2007 only, the Northwestern Online College in the High School  
 90.17 program is eligible for \$50,000 for professional development and to develop Web-based  
 90.18 technology.

90.19 **Sec. 48. APPROPRIATION.**

90.20 Subdivision 1. Department of Education. The sums indicated in this section are  
 90.21 appropriated from the general fund to the Department of Education for the fiscal years  
 90.22 designated.

90.23 Subd. 2. Northwestern Online College in the High School program. For  
 90.24 Northwestern Online College in the High School program under section 47:

90.25 \$ 50,000      .....      2007

90.26 Subd. 3. Chinese language. For the Chinese language curriculum project under  
 90.27 section 45:

90.28 \$ 250,000      .....      2007

90.29 The commissioner must report to the house of representatives and senate committees  
 90.30 having jurisdiction over kindergarten through grade 12 education policy and finance on

91.1 the range of the program by February 15, 2007. The report shall address the applicability  
 91.2 of the Chinese language curriculum project to other world languages and include the  
 91.3 availability of instructors, curriculum, high-quality school programs, assessments, and  
 91.4 best practices as they apply to world languages.

91.5 This is a onetime appropriation.

91.6 Subd. 4. Child-relevant American sign language. For a contract with a qualified  
 91.7 provider to train education staff to use child-relevant American sign language to facilitate  
 91.8 young children's development of second language learning and stronger literacy and  
 91.9 verbal skills under section 44:

91.10 \$ 225,000       .....       2007

91.11 Of this appropriation, \$150,000 is for actual training costs, \$35,000 is for  
 91.12 an independent evaluation of the efficacy of the pilot program, and \$40,000 is for  
 91.13 administrative and marketing costs incurred by the Department of Education.

91.14 Subd. 5. Scholars of distinction. For the scholars of distinction program:

91.15 \$ 25,000       .....       2007

91.16 EFFECTIVE DATE. This section is effective the day following final enactment.

91.17 Sec. 49. REPEALER.

91.18 (a) Minnesota Statutes 2004, sections 121A.23; and 123B.749, are repealed.

91.19 (b) Minnesota Statutes 2004, sections 169.4502, subdivision 15; and 169.4503,  
 91.20 subdivisions 17, 18, and 26, are repealed.

91.21 EFFECTIVE DATE. This section, paragraph (b), is effective January 1, 2007.

91.22 **ARTICLE 5**  
 91.23 **SPECIAL EDUCATION**

91.24 Section 1. Minnesota Statutes 2005 Supplement, section 123B.76, subdivision 3, is  
 91.25 amended to read:

91.26 **Subd. 3. Expenditures by building.** (a) For the purposes of this section, "building"  
 91.27 means education site as defined in section 123B.04, subdivision 1.

91.28 (b) Each district shall maintain separate accounts to identify general fund  
 91.29 expenditures for each building. All expenditures for regular instruction, secondary  
 91.30 vocational instruction, and school administration must be reported to the department



92.1 separately for each building. All expenditures for special education instruction,  
92.2 instructional support services, and pupil support services provided within a specific  
92.3 building must be reported to the department separately for each building. Salary  
92.4 expenditures reported by building must reflect actual salaries for staff at the building  
92.5 and must not be based on districtwide averages. All expenditures for special education  
92.6 instruction and services and transportation for nonpublic school pupils must be reported  
92.7 separately. All other general fund expenditures may be reported by building or on a  
92.8 districtwide basis.

92.9 (c) The department must annually report information showing school district general  
92.10 fund expenditures per pupil by program category for each building and estimated school  
92.11 district general fund revenue generated by pupils attending each building on its Web  
92.12 site. For purposes of this report:

92.13 (1) expenditures not reported by building shall be allocated among buildings on a  
92.14 uniform per pupil basis;

92.15 (2) basic skills revenue shall be allocated according to section 126C.10, subdivision  
92.16 4;

92.17 (3) secondary sparsity revenue and elementary sparsity revenue shall be allocated  
92.18 according to section 126C.10, subdivisions 7 and 8;

92.19 (4) other general education revenue shall be allocated on a uniform per pupil unit  
92.20 basis;

92.21 (5) first grade preparedness aid shall be allocated according to section 124D.081;

92.22 (6) state and federal special education aid and Title I aid shall be allocated in  
92.23 proportion to district expenditures for these programs by building; and

92.24 (7) other general fund revenues shall be allocated on a uniform per pupil basis,  
92.25 except that the department may allocate other revenues attributable to specific buildings  
92.26 directly to those buildings.

92.27 (d) The amount of state and federal special education aid for nonpublic school pupils  
92.28 receiving special education instruction and services and transportation and the number  
92.29 of nonpublic school pupils with a disability assessed and receiving special education  
92.30 instruction and services and transportation from school districts must be shown in a  
92.31 separate category.

92.32 **EFFECTIVE DATE.** This section is effective for fiscal year 2006 and later.

92.33 Sec. 2. Minnesota Statutes 2005 Supplement, section 125A.11, subdivision 1, is  
92.34 amended to read:

93.1           Subdivision 1. **Nonresident tuition rate; other costs.** (a) For fiscal year 2006,  
93.2 when a school district provides instruction and services outside the district of residence,  
93.3 board and lodging, and any tuition to be paid, shall be paid by the district of residence. The  
93.4 tuition rate to be charged for any child with a disability, excluding a pupil for whom tuition  
93.5 is calculated according to section 127A.47, subdivision 7, paragraph (d), must be the sum  
93.6 of (1) the actual cost of providing special instruction and services to the child including  
93.7 a proportionate amount for special transportation and unreimbursed building lease and  
93.8 debt service costs for facilities used primarily for special education, plus (2) the amount  
93.9 of general education revenue and referendum aid attributable to the pupil, minus (3) the  
93.10 amount of special education aid for children with a disability received on behalf of that  
93.11 child, minus (4) if the pupil receives special instruction and services outside the regular  
93.12 classroom for more than 60 percent of the school day, the amount of general education  
93.13 revenue and referendum aid, excluding portions attributable to district and school  
93.14 administration, district support services, operations and maintenance, capital expenditures,  
93.15 and pupil transportation, attributable to that pupil for the portion of time the pupil receives  
93.16 special instruction in and services outside of the regular classroom. If the boards involved  
93.17 do not agree upon the tuition rate, either board may apply to the commissioner to fix the  
93.18 rate. Notwithstanding chapter 14, the commissioner must then set a date for a hearing or  
93.19 request a written statement from each board, giving each board at least ten days' notice,  
93.20 and after the hearing or review of the written statements the commissioner must make an  
93.21 order fixing the tuition rate, which is binding on both school districts. General education  
93.22 revenue and referendum aid attributable to a pupil must be calculated using the resident  
93.23 district's average general education and referendum revenue per adjusted pupil unit.

93.24           (b) For fiscal year 2007 and later, when a school district provides special instruction  
93.25 and services for a pupil with a disability as defined in section 125A.02 outside the district  
93.26 of residence, excluding a pupil for whom an adjustment to special education aid is  
93.27 calculated according to section 127A.47, subdivision 7, paragraph (e), special education  
93.28 aid paid to the resident district must be reduced by an amount equal to (1) the actual  
93.29 cost of providing special instruction and services to the pupil, including a proportionate  
93.30 amount for special transportation and unreimbursed building lease and debt service costs  
93.31 for facilities used primarily for special education, plus (2) the amount of general education  
93.32 revenue and referendum aid attributable to that pupil, minus (3) the amount of special  
93.33 education aid for children with a disability received on behalf of that child, minus (4) if the  
93.34 pupil receives special instruction and services outside the regular classroom for more than  
93.35 60 percent of the school day, the amount of general education revenue and referendum  
93.36 aid, excluding portions attributable to district and school administration, district support

94.1 services, operations and maintenance, capital expenditures, and pupil transportation,  
 94.2 attributable to that pupil for the portion of time the pupil receives special instruction in  
 94.3 and services outside of the regular classroom. General education revenue and referendum  
 94.4 aid attributable to a pupil must be calculated using the resident district's average general  
 94.5 education revenue and referendum aid per adjusted pupil unit. Special education aid  
 94.6 paid to the district or cooperative providing special instruction and services for the pupil  
 94.7 must be increased by the amount of the reduction in the aid paid to the resident district.  
 94.8 Amounts paid to cooperatives under this subdivision and section 127A.47, subdivision  
 94.9 7, shall be recognized and reported as revenues and expenditures on the resident school  
 94.10 district's books of account under sections 123B.75 and 123B.76. If the resident district's  
 94.11 special education aid is insufficient to make the full adjustment, the remaining adjustment  
 94.12 shall be made to other state aid due to the district.

94.13 (c) Notwithstanding paragraphs (a) and (b) and section 127A.47, subdivision 7,  
 94.14 paragraphs (d) and (e), a charter school where more than 30 percent of enrolled students  
 94.15 receive special education and related services, an intermediate district, ~~or a special~~  
 94.16 education cooperative, or a school district that served as the applicant agency for a group  
 94.17 of school districts for federal special education aids for fiscal year 2006 may apply to the  
 94.18 commissioner for authority to charge the resident district an additional amount to recover  
 94.19 any remaining unreimbursed costs of serving pupils with a disability. The application must  
 94.20 include a description of the costs and the calculations used to determine the unreimbursed  
 94.21 portion to be charged to the resident district. Amounts approved by the commissioner  
 94.22 under this paragraph must be included in the tuition billings or aid adjustments under  
 94.23 paragraph (a) or (b), or section 127A.47, subdivision 7, paragraph (d) or (e), as applicable.

94.24 (d) For purposes of this subdivision and section 127A.47, subdivision 7, paragraphs  
 94.25 (d) and (e), "general education revenue and referendum aid" means the sum of the general  
 94.26 education revenue according to section 126C.10, subdivision 1, excluding alternative  
 94.27 teacher compensation revenue, plus the referendum aid according to section 126C.17,  
 94.28 subdivision 7, as adjusted according to section 127A.47, subdivision 7, paragraphs (a)  
 94.29 to (c).

94.30 **EFFECTIVE DATE.** This section is effective for fiscal year 2006.

94.31 Sec. 3. Minnesota Statutes 2004, section 125A.515, subdivision 1, is amended to read:

94.32 Subdivision 1. **Approval of education programs.** The commissioner shall  
 94.33 approve education programs for placement of children and youth in ~~care and treatment~~  
 94.34 residential facilities including detention centers, before being licensed by the Department  
 94.35 of Human Services ~~under Minnesota Rules, parts 9545.0905 to 9545.1125 and 9545.1400~~

95.1 ~~to 9545.1480, or the Department of Corrections under Minnesota Rules, chapters 2925,~~  
 95.2 ~~2930, 2935, and 2950.~~ Education programs in these facilities shall conform to state and  
 95.3 federal education laws including the Individuals with Disabilities Education Act (IDEA).  
 95.4 This section applies only to placements in facilities licensed by the Department of Human  
 95.5 Services or the Department of Corrections.

95.6 Sec. 4. Minnesota Statutes 2004, section 125A.515, subdivision 3, is amended to read:

95.7 Subd. 3. **Responsibilities for providing education.** (a) The district in which the  
 95.8 residential facility is located must provide education services, including special education  
 95.9 if eligible, to all students placed in a facility ~~for care and treatment.~~

95.10 (b) For education programs operated by the Department of Corrections, the  
 95.11 providing district shall be the Department of Corrections. For students remanded to the  
 95.12 commissioner of corrections, the providing and resident district shall be the Department  
 95.13 of Corrections.

95.14 ~~(c) Placement for care and treatment does not automatically make a student eligible~~  
 95.15 ~~for special education. A student placed in a care and treatment facility is eligible for~~  
 95.16 ~~special education under state and federal law including the Individuals with Disabilities~~  
 95.17 ~~Education Act under United States Code, title 20, chapter 33.~~

95.18 Sec. 5. Minnesota Statutes 2004, section 125A.515, subdivision 5, is amended to read:

95.19 Subd. 5. **Education programs for students placed in residential facilities for**  
 95.20 ~~**care and treatment.**~~ (a) When a student is placed in a ~~care and treatment~~ facility  
 95.21 approved under this section that has an on-site education program, the providing district,  
 95.22 upon notice from the care and treatment facility, must contact the resident district within  
 95.23 one business day to determine if a student has been identified as having a disability, and  
 95.24 to request at least the student's transcript, and for students with disabilities, the most  
 95.25 recent individualized education plan (IEP) and evaluation report, and to determine if the  
 95.26 student has been identified as a student with a disability. The resident district must send a  
 95.27 facsimile copy to the providing district within two business days of receiving the request.

95.28 (b) If a student placed ~~for care and treatment~~ under this section has been identified as  
 95.29 having a disability and has an individual education plan in the resident district:

95.30 (1) the providing agency must conduct an individualized education plan meeting  
 95.31 to reach an agreement about continuing or modifying special education services in  
 2 accordance with the current individualized education plan goals and objectives and to  
 95.33 determine if additional evaluations are necessary; and

96.1 (2) at least the following people shall receive written notice or documented phone  
96.2 call to be followed with written notice to attend the individualized education plan meeting:

- 96.3 (i) the person or agency placing the student;
- 96.4 (ii) the resident district;
- 96.5 (iii) the appropriate teachers and related services staff from the providing district;
- 96.6 (iv) appropriate staff from the ~~care and treatment~~ residential facility;
- 96.7 (v) the parents or legal guardians of the student; and
- 96.8 (vi) when appropriate, the student.

96.9 (c) For a student who has not been identified as a student with a disability, a  
96.10 screening must be conducted by the providing districts as soon as possible to determine  
96.11 the student's educational and behavioral needs and must include a review of the student's  
96.12 educational records.

96.13 Sec. 6. Minnesota Statutes 2004, section 125A.515, subdivision 6, is amended to read:

96.14 Subd. 6. **Exit report summarizing educational progress.** If a student has been  
96.15 placed in a ~~care and treatment~~ facility under this section for 15 or more business days, the  
96.16 providing district must prepare an exit report summarizing the regular education, special  
96.17 education, evaluation, educational progress, and service information and must send the  
96.18 report to the resident district and the next providing district if different, the parent or  
96.19 legal guardian, and any appropriate social service agency. For students with disabilities,  
96.20 this report must include the student's IEP.

96.21 Sec. 7. Minnesota Statutes 2004, section 125A.515, subdivision 7, is amended to read:

96.22 Subd. 7. **Minimum educational services required.** When a student is placed in a  
96.23 facility approved under this section, at a minimum, the providing district is responsible for:

- 96.24 (1) the education necessary, including summer school services, for a student who is  
96.25 not performing at grade level as indicated in the education record or IEP; and
- 96.26 (2) a school day, of the same length as the school day of the providing district, unless  
96.27 the unique needs of the student, as documented through the IEP or education record in  
96.28 consultation with treatment providers, requires an alteration in the length of the school day.

96.29 Sec. 8. Minnesota Statutes 2004, section 125A.515, subdivision 9, is amended to read:

96.30 Subd. 9. **Reimbursement for education services.** (a) Education services  
96.31 provided to students who have been placed ~~for care and treatment~~ under this section are  
96.32 reimbursable in accordance with special education and general education statutes.

97.1 (b) Indirect or consultative services provided in conjunction with regular education  
 97.2 prereferral interventions and assessment provided to regular education students suspected  
 97.3 of being disabled and who have demonstrated learning or behavioral problems in a  
 97.4 screening are reimbursable with special education categorical aids.

97.5 (c) Regular education, including screening, provided to students with or without  
 97.6 disabilities is not reimbursable with special education categorical aids.

97.7 Sec. 9. Minnesota Statutes 2004, section 125A.515, subdivision 10, is amended to read:

97.8 Subd. 10. **Students unable to attend school but not placed in care and treatment**  
 97.9 **facilities covered under this section.** Students who are absent from, or predicted to  
 97.10 be absent from, school for 15 consecutive or intermittent days, and placed at home or  
 97.11 in facilities not licensed by the Departments of Corrections or Human Services are not  
 97.12 students placed for care and treatment entitled to regular and special education services  
 97.13 consistent with applicable law and rule. These students include students with and without  
 97.14 disabilities who are home due to accident or illness, in a hospital or other medical facility,  
 97.15 or in a day treatment center. ~~These students are entitled to education services through~~  
 97.16 ~~their district of residence.~~

97.17 Sec. 10. Minnesota Statutes 2004, section 125A.63, subdivision 4, is amended to read:

97.18 Subd. 4. **Advisory committees.** ~~The Special Education Advisory Council~~  
 97.19 commissioner shall establish an advisory committee for each resource center. The  
 97.20 advisory committees shall develop recommendations regarding the resource centers and  
 97.21 submit an annual report to the commissioner on the form and in the manner prescribed by  
 97.22 the commissioner.

97.23 Sec. 11. Minnesota Statutes 2004, section 125A.75, subdivision 1, is amended to read:

97.24 Subdivision 1. **Travel aid.** The state must pay each district one-half of the sum  
 97.25 actually expended by a district, based on mileage, for necessary travel of essential  
 97.26 personnel providing home-based services to children with a disability under age five  
 97.27 and their families.

97.28 **EFFECTIVE DATE.** This section is effective the day following final enactment.

97.29 Sec. 12. Minnesota Statutes 2005 Supplement, section 125A.79, subdivision 1, is  
 97.30 amended to read:

97.31 Subdivision 1. **Definitions.** For the purposes of this section, the definitions in this  
 97.32 subdivision apply.

98.1 (a) "Unreimbursed special education cost" means the sum of the following:

98.2 (1) expenditures for teachers' salaries, contracted services, supplies, equipment, and  
98.3 transportation services eligible for revenue under section 125A.76; plus

98.4 (2) expenditures for tuition bills received under sections 125A.03 to 125A.24 and  
98.5 125A.65 for services eligible for revenue under section 125A.76, subdivision 2; minus

98.6 (3) revenue for teachers' salaries, contracted services, supplies, and equipment under  
98.7 section 125A.76; minus

98.8 (4) tuition receipts under sections 125A.03 to 125A.24 and 125A.65 for services  
98.9 eligible for revenue under section 125A.76, subdivision 2.

98.10 (b) "General revenue" means the sum of the general education revenue according to  
98.11 section 126C.10, subdivision 1, ~~as adjusted according to section 127A.47, subdivisions~~  
98.12 ~~7 and 8~~ excluding alternative teacher compensation revenue, plus the total qualifying  
98.13 referendum revenue specified in paragraph (e) minus transportation sparsity revenue  
98.14 minus total operating capital revenue.

98.15 (c) "Average daily membership" has the meaning given it in section 126C.05.

98.16 (d) "Program growth factor" means 1.02 for fiscal year 2003, and 1.0 for fiscal  
98.17 year 2004 and later.

98.18 (e) "Total qualifying referendum revenue" means two-thirds of the district's total  
98.19 referendum revenue as adjusted according to section 127A.47, subdivision 7, paragraphs  
98.20 (a) to (c), for fiscal year 2006, one-third of the district's total referendum revenue for fiscal  
98.21 year 2007, and none of the district's total referendum revenue for fiscal year 2008 and later.

98.22 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2006.

98.23 **Sec. 13. SPECIAL EDUCATION FORECAST MAINTENANCE OF EFFORT.**

98.24 (a) If, on the basis of a forecast of general fund revenues and expenditures under  
98.25 Minnesota Statutes, section 16A.103; expenditures for special education aid under  
98.26 Minnesota Statutes, section 125A.76; transition for disabled students under Minnesota  
98.27 Statutes, section 124D.454; travel for home-based services under Minnesota Statutes,  
98.28 section 124A.75, subdivision 1; aid for students with disabilities under Minnesota Statutes,  
98.29 section 125A.75, subdivision 3; court-placed special education under Minnesota Statutes,  
98.30 section 125A.79, subdivision 4; or out-of-state tuition under Minnesota Statutes, section  
98.31 125A.79, subdivision 8, are projected to be less than the amount previously forecast for an  
98.32 enacted budget, the forecast excess from these programs, up to an amount sufficient to  
98.33 meet federal special education maintenance of effort, is added to the state total special  
98.34 education aid in Minnesota Statutes, section 125A.76, subdivision 4.

99.1 (b) If, on the basis of a forecast of general fund revenues and expenditures under  
 99.2 Minnesota Statutes, section 16A.103, expenditures in the programs in this section are  
 99.3 projected to be greater than previously forecast for an enacted budget, and an addition to  
 99.4 state total special education aid has been made under paragraph (a), the state total special  
 99.5 education aid must be reduced by the lesser of the amount of the expenditure increase or  
 99.6 the amount previously added to state total special education aid, and this amount must be  
 99.7 taken from the programs that were forecast to have a forecast excess.

99.8 (c) For the purpose of this section, "previously forecast for an enacted budget" means  
 99.9 the allocation of funding for these programs in the most recent forecast of general fund  
 99.10 revenues and expenditures or the act appropriating money for these programs, whichever  
 99.11 occurred most recently. It does not include planning estimates for a future biennium.

12 **Sec. 14. INTERMEDIATE DISTRICT SPECIAL EDUCATION TUITION**  
 99.13 **BILLING FOR FISCAL YEARS 2006 AND 2007.**

99.14 (a) Notwithstanding Minnesota Statutes, sections 125A.11, subdivision 1, paragraph  
 99.15 (a), and 127A.47, subdivision 7, paragraph (d), for fiscal year 2006, an intermediate  
 99.16 district is not subject to the uniform special education tuition billing calculations, but may  
 99.17 instead continue to bill the resident school districts for the actual unreimbursed costs of  
 99.18 servicing pupils with a disability as determined by the intermediate district.

99.19 (b) Notwithstanding Minnesota Statutes, section 125A.11, subdivision 1, paragraph  
 99.20 (c), for fiscal year 2007 only, an intermediate district may apply to the commissioner of  
 99.21 education for a waiver from the uniform special education tuition calculations and aid  
 99.22 adjustments under Minnesota Statutes, sections 125A.11, subdivision 1, paragraph (b), and  
 99.23 127A.47, subdivision 7, paragraph (e). The commissioner must grant the waiver within 30  
 99.24 days of receiving the following information from the intermediate district:

99.25 (1) a detailed description of the intermediate district's methodology for calculating  
 99.26 special education tuition for fiscal years 2006 and 2007, as required by the intermediate  
 99.27 district to recover the full cost of servicing pupils with a disability;

99.28 (2) sufficient data to determine the total amount of special education tuition actually  
 99.29 charged for each student with a disability, as required by the intermediate district to  
 99.30 recover the full cost of servicing pupils with a disability in fiscal year 2006; and

99.31 (3) sufficient data to determine the amount that would have been charged for each  
 99.32 student for fiscal year 2006 using the uniform tuition billing methodology according  
 99.33 to Minnesota Statutes, section 125A.11, subdivision 1, or 127A.47, subdivision 7, as  
 99.34 applicable.



100.1 EFFECTIVE DATE. This section is effective the day following final enactment  
100.2 for fiscal year 2006.

100.3 **Sec. 15. SPECIAL EDUCATION STUDY.**

100.4 (a) The commissioner of education must contract with an independent consultant that  
100.5 has extensive experience working with various states on special education finance systems  
100.6 to evaluate Minnesota’s special education funding structure and make recommendations  
100.7 to improve its effectiveness. The recommendations must be in conformance with Public  
100.8 Law 108-446, section 612(a) (5) (B) (i).

100.9 (b) The consultant must:

100.10 (1) conduct an in-depth analysis of the current special education finance system  
100.11 in Minnesota;

100.12 (2) convene a task force in Minnesota consisting of superintendents, special  
100.13 education directors, representatives from special education advocacy organizations,  
100.14 and parents of children receiving special education services to help formulate  
100.15 recommendations for improvement; and

100.16 (3) prepare a report to be submitted to the Department of Education and the  
100.17 legislature.

100.18 (c) In addition to the requirements in paragraph (b), the consultant must analyze  
100.19 and report on the effectiveness of the current special education program in educating  
100.20 Minnesota students. The consultant must use a statistical analysis to help explain  
100.21 differences in spending across school districts while controlling for student performance.

100.22 (d) The commissioner must report on the findings on the contract to the legislative  
100.23 committees having jurisdiction over kindergarten through grade 12 finance before  
100.24 December 15, 2007.

100.25 EFFECTIVE DATE. This section is effective the day following final enactment.

100.26 **Sec. 16. APPROPRIATION.**

100.27 Subdivision 1. Department of Education. The sum indicated in this section is  
100.28 appropriated from the general fund to the Department of Education for the fiscal year  
100.29 designated.

100.30 Subd. 2. Special education study contract. For a contract to examine Minnesota’s  
100.31 special education funding structure under section 15:

100.32 § 250,000 ..... 2007

101.1 **Sec. 17. DEPARTMENT OF EDUCATION RULES.**

101.2 Before July 1, 2007, the Department of Education shall amend Minnesota Rules,  
 101.3 part 3525.2325, to conform with Minnesota Statutes, section 125A.515.

101.4 **Sec. 18. REPEALER.**

101.5 Minnesota Statutes 2004, sections 125A.10; and 125A.515, subdivision 2, are  
 101.6 repealed.

101.7 **ARTICLE 6**

101.8 **FACILITIES, ACCOUNTING, AND TECHNOLOGY**

101.9 Section 1. Minnesota Statutes 2004, section 123A.44, is amended to read:

101.10 **123A.44 CITATION.**

101.11 Sections 123A.441 to 123A.446 may be cited as the "Cooperative ~~Secondary~~  
 101.12 Facilities Grant Act."

101.13 **EFFECTIVE DATE.** This section is effective the day following final enactment.

101.14 Sec. 2. Minnesota Statutes 2004, section 123A.441, is amended to read:

101.15 **123A.441 POLICY AND PURPOSE.**

101.16 Because of the rates of decline in school-aged population, population shifts and  
 101.17 economic changes that the state has experienced in recent years and anticipates in future  
 101.18 years, and because in some instances local districts have not, and will not be able to  
 1.19 provide the required construction funds through local property taxes, the purpose of the  
 101.20 cooperative ~~secondary~~ facilities grant program is to provide an incentive to encourage  
 101.21 cooperation in making available to all ~~secondary~~ students those educational programs,  
 101.22 services and facilities that are most efficiently and effectively provided by a cooperative  
 101.23 effort of ~~several~~ school districts. The policy and purpose of sections 123A.442 to  
 101.24 123A.446 is to use the credit of the state, to a limited degree, to provide grants to  
 101.25 cooperating groups of districts to improve and expand the educational opportunities and  
 101.26 facilities available to their ~~secondary~~ students.

101.27 **EFFECTIVE DATE.** This section is effective the day following final enactment.

.28 Sec. 3. Minnesota Statutes 2004, section 123A.442, is amended to read:

101.29 **123A.442 APPROVAL AUTHORITY; APPLICATION FORMS.**

102.1 Subdivision 1. **Approval by commissioner.** To the extent money is available, the  
 102.2 commissioner may approve projects from applications submitted under section 123A.443.  
 102.3 The grant money must be used only to acquire, construct, remodel or improve the building  
 102.4 or site of a cooperative ~~secondary~~ facility under contracts to be entered into within 15  
 102.5 months after the date on which each grant is awarded.

102.6 Subd. 2. **Cooperation and combination.** Districts that have not already  
 102.7 consolidated and receive a cooperative ~~secondary~~ facilities grant ~~after May 1, 1991~~, shall:

102.8 (1) submit a consolidation plan as set forth in under section ~~123A.36~~ 123A.48 for  
 102.9 approval by the ~~State Board of Education before December 31, 1999~~, or Department of  
 102.10 Education ~~after December 30, 1999~~; and

102.11 (2) hold a referendum on the question of ~~combination~~ consolidation no later than  
 102.12 four years after a grant is awarded under subdivision 1.

102.13 The districts are eligible for ~~cooperation and combination~~ consolidation revenue  
 102.14 under section ~~123A.39, subdivision 3~~ 123A.485.

102.15 Subd. 3. **Consolidated districts.** A school district that has consolidated with  
 102.16 another school district since July 1, 1980, is eligible for a cooperative facilities grant.

102.17 **EFFECTIVE DATE.** This section is effective the day following final enactment.

102.18 Sec. 4. Minnesota Statutes 2004, section 123A.443, is amended to read:

102.19 **123A.443 GRANT APPLICATION PROCESS.**

102.20 Subdivision 1. **Qualification.** Any group of districts or a consolidated district  
 102.21 that meets the criteria required under subdivision 2 may apply for an incentive grant for  
 102.22 construction of a new ~~secondary~~ facility or for remodeling and improving an existing  
 102.23 ~~secondary~~ facility. A grant for new construction must not exceed the lesser of ~~\$5,000,000~~  
 102.24 \$10,000,000 or 75 percent of the approved construction costs of a cooperative ~~secondary~~  
 102.25 education facility. A grant for remodeling and improving an existing facility must not  
 102.26 exceed ~~\$200,000~~ \$1,000,000.

102.27 Subd. 2. **Review by commissioner.** (a) A group of districts or a consolidated district  
 102.28 that submits an application for a grant must submit a proposal to the commissioner for  
 102.29 review and comment under section 123B.71. The commissioner shall prepare a review  
 102.30 and comment on the proposed facility by July 1 of an odd-numbered year, regardless  
 102.31 of the amount of the capital expenditure required to acquire, construct, remodel, or  
 102.32 improve the ~~secondary~~ facility. The commissioner shall not approve an application for an  
 102.33 incentive grant for any ~~secondary~~ facility unless the facility receives a favorable review  
 102.34 and comment under section 123B.71 and the following criteria are met:

103.1 (1) the applicant is a consolidated district or a minimum of two or more districts;  
 103.2 ~~with kindergarten to grade 12 enrollments in each district of no more than 1,200 pupils;~~  
 103.3 ~~enter that have entered~~ into a joint powers agreement;

103.4 (2) for a group of districts, a joint powers board representing all participating  
 103.5 districts is established under section 471.59 to govern the cooperative ~~secondary~~ facility;

103.6 ~~(3) the planned secondary facility will result in the joint powers district meeting the~~  
 103.7 ~~requirements of Minnesota Rules, parts 3500.2010 and 3500.2110;~~

103.8 ~~(4) at least 198 pupils would be served in grades 10 to 12, 264 pupils would be~~  
 103.9 ~~served in grades 9 to 12, or 396 pupils would be served in grades 7 to 12;~~

103.10 ~~(5) (3) for a group of districts,~~ no more than one superintendent is employed by the  
 103.11 joint powers board as a result of the cooperative ~~secondary~~ facility agreement;

103.12 ~~(6) (4) a statement of need is submitted, that may include reasons why the current~~  
 103.13 ~~secondary facilities are inadequate, unsafe or inaccessible to the handicapped disabled;~~

103.14 ~~(7) (5) an educational plan is prepared, that includes input from both community and~~  
 103.15 ~~professional staff;~~

103.16 ~~(8) (6) for a group of districts,~~ a combined seniority list for all participating districts  
 103.17 is developed by the joint powers board;

103.18 ~~(9) (7) for a group of districts,~~ an education program is developed that provides for  
 103.19 more learning opportunities and course offerings, including the offering of advanced  
 103.20 placement courses, for students than is currently available in any single member district;

103.21 ~~(10) (8) a plan is developed for providing instruction of any resident students in~~  
 103.22 ~~other districts when distance to the secondary education facility makes attendance at the~~  
 103.23 ~~facility unreasonably difficult or impractical; and~~

103.24 ~~(11) (9) for a secondary facility,~~ the joint powers board established under clause (2)  
 103.25 discusses with technical colleges located in the area how vocational education space in  
 103.26 the cooperative ~~secondary~~ facility could be jointly used for secondary and postsecondary  
 103.27 purposes.

103.28 (b) To the extent possible, the joint powers board is encouraged to provide for  
 103.29 severance pay or for early retirement incentives under section 122A.48, for any teacher  
 103.30 or administrator, as defined under section 122A.40, subdivision 1, who is placed on  
 103.31 unrequested leave as a result of the cooperative ~~secondary~~ facility agreement.

103.32 (c) For the purpose of paragraph (a), clause ~~(8) (6),~~ each district must be considered  
 103.33 to have started school each year on the same date.

103.34 (d) The districts may develop a plan that provides for the location of social service,  
 103.35 health, and other programs serving pupils and community residents within the cooperative

104.1 ~~secondary~~ facility. The commissioner shall consider this plan when preparing a review  
104.2 and comment on the proposed facility.

104.3 (e) The districts must schedule and conduct a meeting on library services. The  
104.4 school districts, in cooperation with the regional public library system and its appropriate  
104.5 member libraries, must discuss the possibility of including jointly operated library services  
104.6 at the cooperative ~~secondary~~ facility.

104.7 (f) The board of a district that has reorganized under section 123A.37 or 123A.48  
104.8 and that is applying for a grant for remodeling or improving an existing facility may act in  
104.9 the place of a joint powers board to meet the criteria of this subdivision.

104.10 Subd. 3. **Reorganizing districts.** A district that is a member of a joint powers  
104.11 board established under subdivision 2 and that is planning to reorganize under section  
104.12 123A.45, 123A.46, or 123A.48 must notify the joint powers board one year in advance of  
104.13 the effective date of the reorganization. Notwithstanding section 471.59 or any other law  
104.14 to the contrary, the board of a district that reorganizes under section 123A.45, 123A.46, or  
104.15 123A.48 may appoint representatives to the joint powers board who will serve on the joint  
104.16 powers board for two years after the effective date of the reorganization if authorized in  
104.17 the agreement establishing the joint powers board to govern the cooperative ~~secondary~~  
104.18 facility. These representatives shall have the same powers as representatives of any other  
104.19 school district under the joint powers agreement.

104.20 Subd. 4. **District procedures.** A joint powers board of a ~~secondary~~ district  
104.21 established under subdivision 2 or a school board of a reorganized district that intends  
104.22 to apply for a grant must adopt a resolution stating the proposed costs of the project,  
104.23 the purpose for which the costs are to be incurred, and an estimate of the dates when  
104.24 the facilities for which the grant is requested will be contracted for and completed.  
104.25 Applications for the state grants must be accompanied by (a) a copy of the resolution, (b)  
104.26 a certificate by the clerk and treasurer of the joint powers board showing the current  
104.27 outstanding indebtedness of each member district, and (c) a certificate by the county  
104.28 auditor of each county in which a portion of the joint powers district lies showing the  
104.29 information in the auditor's official records that is required to be used in computing the  
104.30 debt limit of the district under section 475.53, subdivision 4. The clerk's and treasurer's  
104.31 certificate must show, as to each outstanding bond issue of each member district, the  
104.32 amount originally issued, the purpose for which issued, the date of issue, the amount  
104.33 remaining unpaid as of the date of the resolution, and the interest rates and due dates  
104.34 and amounts of principal thereon. Applications and necessary data must be in the  
104.35 form prescribed by the commissioner ~~and the rules of the State Board of Education~~  
104.36 ~~before December 31, 1999, and after December 30, 1999, in the form prescribed by the~~

105.1 ~~commissioner~~. Applications must be received by the commissioner by September 1 of an  
105.2 odd-numbered year. When an application is received, the commissioner shall obtain from  
105.3 the commissioner of revenue, and from the Public Utilities Commission when required,  
105.4 the information in their official records that is required to be used in computing the debt  
105.5 limit of the joint powers district under section 475.53, subdivision 4.

105.6 Subd. 5. **Award of grants.** By November 1 of the odd-numbered year, the  
105.7 commissioner shall examine and consider all applications for grants, and if any district is  
105.8 found not qualified, the commissioner shall promptly notify that board.

105.9 A grant award is subject to verification by the district as specified in subdivision  
105.10 8. A grant award for a new facility must not be made until the site of the ~~secondary~~  
105.11 facility has been determined. A grant award to remodel or improve an existing facility  
105.12 must not be made until the districts have reorganized. If the total amount of the approved  
105.13 applications exceeds the amount that is or can be made available, the commissioner  
105.14 shall allot the available amount equally between the approved applicant districts. The  
105.15 commissioner shall promptly certify to each qualified district the amount, if any, of the  
105.16 grant awarded to it.

105.17 Subd. 6. **Collocation grant.** A group of districts that receives a grant for a new  
105.18 facility under subdivision 4 is also eligible to receive an additional grant in the amount of  
105.19 \$1,000,000. To receive the additional grant, the group of districts must develop a plan  
105.20 under subdivision 2, paragraph (d), that provides for the location of a significant number  
105.21 of noneducational student and community service programs within the cooperative  
105.22 ~~secondary~~ facility.

105.23 Subd. 7. **Referendum; bond issue.** Within 180 days after being awarded a grant  
105.24 for a new facility under subdivision 5, the joint powers board must submit the question  
105.25 of authorizing the borrowing of funds for the ~~secondary~~ facility to the voters of the joint  
105.26 powers district at a special election, which may be held in conjunction with the annual  
105.27 election of the school board members of the member districts. The question submitted  
105.28 must state the total amount of funding needed from all sources. A majority of those voting  
105.29 in the affirmative on the question is sufficient to authorize the joint powers board to accept  
105.30 the grant and to issue the bonds on public sale ~~in accordance with~~ according to chapter  
105.31 475. The clerk of the joint powers board must certify the vote of the bond election to the  
105.32 commissioner. If the question is approved by the voters, the commissioner shall notify the  
105.33 approved applicant districts that the grant amount certified under subdivision 5 is available  
105.34 and appropriated for payment under this subdivision. If a majority of those voting on the  
105.35 question do not vote in the affirmative, the grant must be canceled.

106.1 Subd. 8. **Contract.** Each grant must be evidenced by a contract between the board  
 106.2 and the state acting through the commissioner. The contract obligates the state to pay to  
 106.3 the board an amount computed according to subdivision 5, and according to a schedule,  
 106.4 and terms and conditions acceptable to the commissioner of finance.

106.5 Subd. 9. **Consolidation.** A group of districts that operates a cooperative ~~secondary~~  
 106.6 facility that was acquired, constructed, remodeled, or improved under this section and  
 106.7 implements consolidation proceedings according to section 123A.48, may propose a  
 106.8 temporary school board structure in the petition or resolution required under section  
 106.9 123A.48, subdivision 2. The districts may propose the number of existing school board  
 106.10 members of each district to become members of the board of the consolidated district  
 106.11 and a method to gradually reduce the membership to six or seven. The proposal must  
 106.12 be approved, disapproved, or modified by the ~~state board of education~~ commissioner.  
 106.13 The election requirements of section 123A.48, subdivision 20, do not apply to a  
 106.14 proposal approved by the state board. Elections conducted after the effective date of the  
 106.15 consolidation are subject to the Minnesota Election Law.

106.16 **EFFECTIVE DATE.** This section is effective the day following final enactment.

106.17 Sec. 5. Minnesota Statutes 2004, section 123B.10, subdivision 1, is amended to read:

106.18 Subdivision 1. **Budgets.** ~~By October 1,~~ Every board must publish revenue and  
 106.19 expenditure budgets for the current year and the actual revenues, expenditures, fund  
 106.20 balances for the prior year and projected fund balances for the current year in a form  
 106.21 prescribed by the commissioner within one week of the acceptance of the final audit by  
 106.22 the board, or November 30, whichever is earlier. The forms prescribed must be designed  
 106.23 so that year to year comparisons of revenue, expenditures and fund balances can be made.  
 106.24 These budgets, reports of revenue, expenditures and fund balances must be published in  
 106.25 a qualified newspaper of general circulation in the district or on the district's official  
 106.26 Web site. If published on the district's official Web site, the district must also publish an  
 106.27 announcement in a qualified newspaper of general circulation in the district that includes  
 106.28 the Internet address where the information has been posted.

106.29 Sec. 6. Minnesota Statutes 2004, section 123B.57, subdivision 6, is amended to read:

106.30 Subd. 6. **Uses of health and safety revenue.** (a) Health and safety revenue may  
 106.31 be used only for approved expenditures necessary to correct fire and life safety hazards,  
 106.32 or for the removal or encapsulation of asbestos from school buildings or property  
 106.33 owned or being acquired by the district, asbestos-related repairs, cleanup and disposal  
 106.34 of polychlorinated biphenyls found in school buildings or property owned or being

107.1 acquired by the district, or the cleanup, removal, disposal, and repairs related to storing  
107.2 heating fuel or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel,  
107.3 as defined in section 296A.01, Minnesota occupational safety and health administration  
107.4 regulated facility and equipment hazards, indoor air quality mold abatement, upgrades  
107.5 or replacement of mechanical ventilation systems to meet American Society of Heating,  
107.6 Refrigerating and Air Conditioning Engineers standards and State Mechanical Code,  
107.7 Department of Health Food Code and swimming pool hazards excluding depth correction,  
107.8 and health, safety, and environmental management. Testing and calibration activities are  
107.9 permitted for existing mechanical ventilation systems at intervals no less than every five  
107.10 years. Health and safety revenue must not be used to finance a lease purchase agreement,  
107.11 installment purchase agreement, or other deferred payments agreement. Health and safety  
107.12 revenue must not be used for the construction of new facilities or the purchase of portable  
107.13 classrooms, for interest or other financing expenses, or for energy efficiency projects  
107.14 under section 123B.65. The revenue may not be used for a building or property or part  
107.15 of a building or property used for postsecondary instruction or administration or for a  
107.16 purpose unrelated to elementary and secondary education.

107.17 (b) Notwithstanding paragraph (a), health and safety revenue must not be used for  
107.18 replacement of building materials or facilities including roof, walls, windows, internal  
107.19 fixtures and flooring, nonhealth and safety costs associated with demolition of facilities,  
107.20 structural repair or replacement of facilities due to unsafe conditions, violence prevention  
107.21 and facility security, ergonomics, building and heating, ventilating and air conditioning  
107.22 supplies, maintenance, and cleaning, testing, and calibration activities. All assessments,  
107.23 investigations, inventories, and support equipment not leading to the engineering or  
107.24 construction of a project shall be included in the health, safety, and environmental  
107.25 management costs in subdivision 8, paragraph (a).

107.26 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2008  
107.27 and later.

107.28 Sec. 7. Minnesota Statutes 2004, section 123B.77, is amended by adding a subdivision  
107.29 to read:

107.30 **Subd. 1a. School district consolidated financial statement.** The commissioner,  
107.31 in consultation with the advisory committee on financial management, accounting, and  
107.32 reporting, shall develop and maintain a school district consolidated financial statement  
107.33 format that converts uniform financial accounting and reporting standards data under  
107.34 subdivision 1 into a more understandable format.



108.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

108.2 Sec. 8. Minnesota Statutes 2004, section 127A.41, subdivision 2, is amended to read:

108.3 Subd. 2. **Errors in distribution.** On determining that the amount of state aid  
108.4 distributed to a school district is in error, the commissioner is authorized to adjust the  
108.5 amount of aid consistent with this subdivision. On determining that the amount of aid is  
108.6 in excess of the school district's entitlement, the commissioner is authorized to recover  
108.7 the amount of the excess by any appropriate means. Notwithstanding the fiscal years  
108.8 designated by the appropriation, the excess may be recovered by reducing future aid  
108.9 payments to the district. Notwithstanding any law to the contrary, if the aid reduced is not  
108.10 of the same type as that overpaid, the district must adjust all necessary financial accounts  
108.11 to properly reflect all revenues earned in accordance with the uniform financial accounting  
108.12 and reporting standards pursuant to sections 123B.75 to 123B.83. Notwithstanding the  
108.13 fiscal years designated by the appropriation, on determining that the amount of an aid paid  
108.14 is less than the school district's entitlement, the commissioner is authorized to increase  
108.15 such aid from the current appropriation. If the aid program has been discontinued and has  
108.16 no appropriation, the appropriation for general education shall be used for recovery or  
108.17 payment of the aid decrease or increase. Any excess of aid recovery over aid payment  
108.18 shall be canceled to the state general fund.

108.19 Sec. 9. Minnesota Statutes 2004, section 181.101, is amended to read:

108.20 **181.101 WAGES; HOW OFTEN PAID.**

108.21 Every employer must pay all wages earned by an employee at least once every 31  
108.22 days on a regular pay day designated in advance by the employer regardless of whether  
108.23 the employee requests payment at longer intervals. Unless paid earlier, the wages earned  
108.24 during the first half of the first 31-day pay period become due on the first regular payday  
108.25 following the first day of work. If wages earned are not paid, the commissioner of labor  
108.26 and industry or the commissioner's representative may demand payment on behalf of an  
108.27 employee. If payment is not made within ten days of demand, the commissioner may  
108.28 charge and collect the wages earned and a penalty in the amount of the employee's average  
108.29 daily earnings at the rate agreed upon in the contract of employment, not exceeding 15  
108.30 days in all, for each day beyond the ten-day limit following the demand. Money collected  
108.31 by the commissioner must be paid to the employee concerned. This section does not  
108.32 prevent an employee from prosecuting a claim for wages. This section does not prevent  
108.33 a school district ~~or~~, other public school entity, or other school, as defined under section  
108.34 120A.22, from paying any wages earned by its employees during a school year on regular

109.1 pay days in the manner provided by an applicable contract or collective bargaining  
 109.2 agreement, or a personnel policy adopted by the governing board. For purposes of this  
 109.3 section, "employee" includes a person who performs agricultural labor as defined in  
 109.4 section 181.85, subdivision 2. For purposes of this section, wages are earned on the  
 109.5 day an employee works.

109.6 Sec. 10. Laws 2005, First Special Session chapter 5, article 4, section 25, subdivision  
 109.7 3, is amended to read:

109.8 Subd. 3. **Debt service equalization.** For debt service aid according to Minnesota  
 109.9 Statutes, section 123B.53, subdivision 6:

109.10	<del>25,654,000</del>		
109.11	\$ <u>27,194,000</u>	.....	2006
109.12	<del>24,134,000</del>		
109.13	\$ <u>18,410,000</u>	.....	2007

109.14 The 2006 appropriation includes ~~\$4,654,000~~ \$4,653,000 for 2005 and ~~\$21,000,000~~  
 109.15 \$22,541,000 for 2006.

109.16 The 2007 appropriation includes ~~\$3,911,000~~ \$2,504,000 for 2006 and ~~\$20,223,000~~  
 109.17 \$15,906,000 for 2007.

109.18 **EFFECTIVE DATE.** This section is effective the day following final enactment.

109.19 Sec. 11. Laws 2005, First Special Session chapter 5, article 4, section 25, subdivision  
 9.20 6, is amended to read:

109.21 Subd. 6. **Emergency aid, Red Lake.** For Independent School District No. 38, Red  
 109.22 Lake, for onetime emergency aid to repair infrastructure damage to the Red Lake High  
 109.23 School as a result of the March 21, 2005, school shooting:

109.24	<del>50,000</del>		
109.25	\$ <u>524,000</u>	.....	2006

109.26 The school district must submit ~~proposed expenditures for these funds for review~~  
 109.27 ~~and comment approval under Minnesota Statutes, section 123B.71~~ actual expenditure  
 109.28 information to support this appropriation to the Department of Education, before the  
 109.29 commissioner releases the funds to the district. ~~The district must report the amount of its~~  
 109.30 ~~unreimbursed costs to the commissioner.~~

109.31 **EFFECTIVE DATE.** This section is effective the day following final enactment.

110.1       Sec. 12. CONSOLIDATED FINANCIAL STATEMENT IMPLEMENTATION.

110.2       The Department of Education shall pay for the implementation of the consolidated  
110.3 financial statement system under Minnesota Statutes, section 123B.77, subdivision 1a,  
110.4 from the department's existing biennial appropriations for fiscal years 2006 and 2007.

110.5       Sec. 13. HEALTH AND SAFETY REVENUE USES; BELLE PLAINE.

110.6       Notwithstanding Minnesota Statutes, sections 123B.57 and 123B.59, upon approval  
110.7 of the commissioner of education, Independent School District No. 716, Belle Plaine, may  
110.8 use up to \$125,000 of its health and safety revenue raised through an alternative facilities  
110.9 bond for other qualifying health and safety projects.

110.10       EFFECTIVE DATE. This section is effective the day following final enactment.

110.11       Sec. 14. LEVY; RED WING.

110.12       For taxes payable in 2007 only, Independent School District No. 256, Red Wing,  
110.13 may levy an amount up to \$158,000 for the construction deficit for building the community  
110.14 ice arena.

110.15       EFFECTIVE DATE. This section is effective for revenue for fiscal year 2007.

110.16       Sec. 15. APPROPRIATION; WASECA LEVY.

110.17       Independent School District No. 829, Waseca, may levy up to \$343,550 beginning  
110.18 in 2006 over five years for health and safety revenue lost due to miscalculation. \$316,000  
110.19 is appropriated in fiscal year 2007 to the commissioner of education for payment of the aid  
110.20 portion of lost revenue. If the district does not levy the full amount authorized within the  
110.21 five-year period, other state aid due to the district shall be reduced proportionately. This is  
110.22 a onetime appropriation for fiscal year 2007.

110.23       Sec. 16. APPROPRIATION; ROCORI SCHOOL DISTRICT.

110.24       \$137,000 is appropriated in fiscal year 2007 from the general fund to the  
110.25 commissioner of education for a grant to Independent School District No. 750, Rocori.  
110.26 The grant is for a continuation of district activities that were developed in concert with  
110.27 the district's federal School Emergency Response to Violence, or Project SERV, grant.  
110.28 The grant may be used to continue the district's recovery efforts, and uses include: an  
110.29 academic program and impact of tragedy or program assessment of educational adequacy;  
110.30 an organizational analysis; a strategic planning overview; a district assessment survey;

111.1 continued recovery support; staff development initiatives; and any other activities  
111.2 developed in response to the federal Project SERV grant.

111.3 The base budget for this program for fiscal year 2008 only is \$53,000.

111.4 **EFFECTIVE DATE.** This section is effective the day following final enactment.

111.5 **Sec. 17. FUND TRANSFERS.**

111.6 Subdivision 1. **A.C.G.C.** Notwithstanding Minnesota Statutes, sections 123B.79,  
111.7 123B.80, and 475.61, subdivision 4, Independent School District No. 2396, A.C.G.C., on  
111.8 June 30, 2006, may permanently transfer up to \$219,000 from its debt redemption fund  
111.9 to its reserved for operating capital account in its general fund and up to \$203,000 from  
111.10 its reserved account for disabled accessibility to its unrestricted general fund without  
111.11 making a levy reduction.

111.12 Subd. 2. **Alden-Conger.** Notwithstanding Minnesota Statutes, sections 123B.79 and  
111.13 123B.80, as of June 30, 2006, Independent School District No. 242, Alden-Conger, may  
111.14 permanently transfer up to \$164,000 from its reserved for disabled accessibility account to  
111.15 its unrestricted general fund account without making a levy reduction.

111.16 Subd. 3. **Eden Valley-Watkins.** Notwithstanding Minnesota Statutes, sections  
111.17 123B.79, 123B.80, and 475.61, subdivision 4, Independent School District No. 463, Eden  
111.18 Valley-Watkins, as of June 30, 2006, may permanently transfer up to \$50,000 from its debt  
111.19 redemption fund to the capital account in its general fund without making a levy reduction.

111.20 Subd. 4. **Fosston.** Notwithstanding Minnesota Statutes, sections 123B.79 and  
111.21 123B.80, as of June 30, 2006, Independent School District No. 601, Fosston, may  
111.22 permanently transfer up to \$80,000 from its reserved for disabled accessibility account to  
111.23 its unrestricted general fund account without making a levy reduction.

111.24 Subd. 5. **Hopkins.** Notwithstanding Minnesota Statutes, section 123B.79 or  
111.25 123B.80, on June 30, 2006, Independent School District No. 270, Hopkins, may  
111.26 permanently transfer up to \$300,000 from its community education reserve fund balance  
111.27 to its undesignated general fund balance to assist the district in decreasing its statutory  
111.28 operating debt.

111.29 Subd. 6. **Lester Prairie.** Notwithstanding Minnesota Statutes, sections 123B.79  
111.30 or 123B.80, on June 30, 2006, Independent School District No. 424, Lester Prairie, may  
111.31 permanently transfer up to \$150,000 from its reserved for operating capital account and up  
111.32 to \$107,000 from its reserved for severance account, to its undesignated balance in the  
111.33 general fund.

111.34 Subd. 7. **Milroy.** Notwithstanding Minnesota Statutes, section 123B.79 or 123B.80,  
111.35 on June 30, 2006, Independent School District No. 635, Milroy, may permanently transfer

112.1 up to \$26,000 from its reserved for disability accessibility account to its undesignated  
112.2 general fund balance without making a levy reduction.

112.3 Subd. 8. **New London-Spicer.** Notwithstanding Minnesota Statutes, sections  
112.4 123B.79, 123B.80, and 475.61, subdivision 4, Independent School District No. 345, New  
112.5 London-Spicer, may permanently transfer up to \$150,000 each year for five years from its  
112.6 debt redemption fund to its general fund without making a levy reduction for the purpose  
112.7 of replacing the roof on the Prairie Woods Elementary School. The district must make its  
112.8 initial transfer according to this section on June 30, 2006. The subsequent four transfers  
112.9 must be made on June 30 of each subsequent year.

112.10 Subd. 9. **Northland Community Schools.** Notwithstanding Minnesota Statutes,  
112.11 section 123B.79 or 123B.80, on or before June 30, 2006, Independent School District No.  
112.12 118, Northland Community Schools, may permanently transfer up to \$197,000 from its  
112.13 reserved for disabled accessibility account to its reserved for operating capital account in  
112.14 its general fund without making a levy reduction.

112.15 Subd. 10. **Rocori.** Notwithstanding Minnesota Statutes, sections 123B.79, 123B.80,  
112.16 and 475.61, subdivision 4, on June 30, 2006, Independent School District No. 750, Rocori,  
112.17 may permanently transfer up to \$250,000 from its debt redemption fund to the operating  
112.18 capital account in its general fund without making a levy reduction.

112.19 Subd. 11. **Roseville.** Notwithstanding Minnesota Statutes, sections 123B.79,  
112.20 123B.80, and 475.61, subdivision 4, on June 30, 2006, Independent School District No.  
112.21 623, Roseville, may permanently transfer up to \$90,000 from its debt redemption fund to  
112.22 its general fund without making a levy reduction.

112.23 Subd. 12. **Tyler.** Notwithstanding Minnesota Statutes, section 123B.79 or 123B.80,  
112.24 Independent School District No. 409, Tyler, on June 30, 2006, may permanently transfer  
112.25 up to \$451,000 from its reserved for capital operating account to its debt redemption fund.

112.26 Subd. 13. **Willmar.** Notwithstanding Minnesota Statutes, sections 123B.79,  
112.27 123B.80, and 475.61, subdivision 4, Independent School District No. 347, Willmar, on  
112.28 June 30, 2006, may permanently transfer up to \$335,200 from its debt redemption fund to  
112.29 its unrestricted general fund without making a levy reduction.

112.30 **EFFECTIVE DATE.** This section is effective the day following final enactment.

112.31

## ARTICLE 7

112.32

### NUTRITION AND LIBRARIES

112.33 Section 1. Minnesota Statutes 2005 Supplement, section 124D.111, subdivision 1,  
112.34 is amended to read:

113.1            **Subdivision 1. School lunch aid computation.** Each school year, the state must pay  
 113.2 participants in the national school lunch program the amount of ~~ten~~ 10.5 cents for each full  
 113.3 paid, reduced, and free student lunch served to students.

113.4            Sec. 2. Laws 2005, First Special Session chapter 5, article 5, section 17, subdivision 2,  
 113.5 is amended to read:

113.6            **Subd. 2. School lunch.** For school lunch aid according to Minnesota Statutes,  
 113.7 section 124D.111, and Code of Federal Regulations, title 7, section 210.17:

113.8	<del>8,998,000</del>		
113.9	\$ <u>9,760,000</u>	.....	2006
113.10	<del>9,076,000</del>		
113.11	\$ <u>10,391,000</u>	.....	2007

113.12            **EFFECTIVE DATE. This section is effective the day following final enactment.**

113.13            Sec. 3. Laws 2005, First Special Session chapter 5, article 6, section 1, subdivision 2,  
 113.14 is amended to read:

113.15  
 113.16            **Subd. 2. Basic system support.** For basic system support grants under Minnesota  
 113.17 Statutes, section 134.355:

113.18	<del>8,570,000</del>		
113.19	\$ <u>9,058,000</u>	.....	2006
113.20	<del>8,570,000</del>		
113.21	\$ <u>9,020,000</u>	.....	2007

113.22  
 113.23            The 2006 appropriation includes \$1,345,000 for 2005 and ~~\$7,225,000~~ \$7,713,000  
 113.24 for 2006.

113.25  
 113.26            The 2007 appropriation includes ~~\$1,345,000~~ \$857,000 for 2006 and ~~\$7,225,000~~  
 113.27 \$8,163,000 for 2007.

3.28

113.29            **EFFECTIVE DATE. This section is effective the day following final enactment.**

114.1  
114.2**ARTICLE 8  
STATE AGENCIES**

114.3 Section 1. Minnesota Statutes 2004, section 125A.65, subdivision 3, is amended to  
114.4 read:

114.5 Subd. 3. **Educational program; tuition.** (a) When it is determined pursuant to  
114.6 section 125A.69, subdivision 1 or 2, that the child is entitled to attend either school,  
114.7 the board of the Minnesota State Academies must provide the appropriate educational  
114.8 program for the child.

114.9 (b) For fiscal year 2006, the board of the Minnesota State Academies must make a  
114.10 tuition charge to the child's district of residence for the cost of providing the program.  
114.11 The amount of tuition charged must not exceed the sum of (1) the general education  
114.12 revenue formula allowance times the pupil unit weighting factor pursuant to section  
114.13 126C.05 for that child, for the amount of time the child is in the program, plus (2), if  
114.14 the child was enrolled at the Minnesota State Academies on October 1 of the previous  
114.15 fiscal year, the compensatory education revenue attributable to that child under section  
114.16 126C.10, subdivision 3. The district of the child's residence must pay the tuition and  
114.17 may claim general education aid for the child. Tuition received by the board of the  
114.18 Minnesota State Academies, except for tuition for compensatory education revenue under  
114.19 this paragraph and tuition received under subdivision 4, must be deposited in the state  
114.20 treasury as provided in subdivision 8.

114.21 (c) For fiscal year 2007 and later, the district of the child's residence shall  
114.22 claim general education revenue for the child, except as provided in this paragraph.  
114.23 Notwithstanding section 127A.47, subdivision 1, an amount equal to the general education  
114.24 revenue formula allowance times the pupil unit weighting factor pursuant to section  
114.25 126C.05 for that child for the amount of time the child is in the program, as adjusted  
114.26 according to subdivision 8, paragraph (d), must be paid to the Minnesota State Academies.  
114.27 Notwithstanding section 126C.15, subdivision 2, paragraph (d), the compensatory  
114.28 education revenue under section 126C.10, subdivision 3, attributable to children enrolled at  
114.29 the Minnesota State Academies on October 1 of the previous fiscal year must be paid to the  
114.30 Minnesota State Academies. General education aid paid to the Minnesota State Academies  
114.31 under this paragraph must be credited to their general operation account. Other general  
114.32 education aid attributable to the child must be paid to the district of the child's residence.

114.33 Sec. 2. Minnesota Statutes 2004, section 125A.65, subdivision 4, is amended to read:

115.1 Subd. 4. **Unreimbursed costs.** (a) For fiscal year 2006, in addition to the tuition  
 115.2 charge allowed in subdivision 3, the academies may charge the child's district of residence  
 115.3 for the academy's unreimbursed cost of providing an instructional aide assigned to that  
 115.4 child, after deducting the special education aid under section 125A.76, attributable to the  
 115.5 child, if that aide is required by the child's individual education plan. Tuition received  
 115.6 under this paragraph must be used by the academies to provide the required service.

115.7 (b) For fiscal year 2007 and later, the special education aid paid to the academies  
 115.8 shall be increased by the academy's unreimbursed cost of providing an instructional  
 115.9 aide assigned to a child, after deducting the special education aid under section 125A.76  
 115.10 attributable to the child, if that aide is required by the child's individual education plan.  
 115.11 Aid received under this paragraph must be used by the academies to provide the required  
 115.12 service.

5.13 (c) For fiscal year 2007 and later, the special education aid paid to the district of  
 115.14 the child's residence shall be reduced by the amount paid to the academies for district  
 115.15 residents under paragraph (b).

115.16 (d) Notwithstanding section 127A.45, subdivision 3, beginning in fiscal year 2008,  
 115.17 the commissioner shall make an estimated final adjustment payment to the Minnesota  
 115.18 State Academies for general education aid and special education aid for the prior fiscal  
 115.19 year by August 15.

115.20 Sec. 3. Minnesota Statutes 2004, section 125A.65, subdivision 6, is amended to read:

115.21 Subd. 6. **Tuition reduction.** Notwithstanding the provisions of subdivisions 3 and  
 115.22 5, the board of the Minnesota State Academies may agree to make a tuition charge, or  
 115.23 receive an aid adjustment, as applicable, for less than the amount specified in subdivision  
 115.24 3 for pupils attending the applicable school who are residents of the district where the  
 115.25 institution is located and who do not board at the institution, if that district agrees to make  
 115.26 a tuition charge to the board of the Minnesota State Academies for less than the amount  
 115.27 specified in subdivision 5 for providing appropriate educational programs to pupils  
 115.28 attending the applicable school.

115.29 Sec. 4. Minnesota Statutes 2004, section 125A.65, subdivision 8, is amended to read:

115.30 Subd. 8. **Student count; tuition.** (a) On May 1, 1996, and each year thereafter,  
 115.31 the board of the Minnesota State Academies shall count the actual number of Minnesota  
 115.32 resident special education eligible students enrolled and receiving education services at the  
 115.33 Minnesota State Academy for the Deaf and the Minnesota State Academy for the Blind.



116.1 (b) For fiscal year 2006, the board of the Minnesota State Academies shall deposit in  
116.2 the state treasury an amount equal to all tuition received for the basic revenue according to  
116.3 subdivision 3, less the amount calculated in paragraph (b) (c).

116.4 ~~(b)~~ (c) For fiscal year 2006, the Minnesota State Academies shall credit to their  
116.5 general operation account an amount equal to the tuition received which represents tuition  
116.6 earned for the total number of students over 175 based on:

116.7 (1) the total number of enrolled students on May 1 less 175; times

116.8 (2) the ratio of the number of students in that grade category to the total number of  
116.9 students on May 1; times

116.10 (3) the general education revenue formula allowance; times

116.11 (4) the pupil unit weighting factor pursuant to section 126C.05.

116.12 (d) For fiscal year 2007 and later, the Minnesota State Academies shall report to  
116.13 the department the number of students by grade level counted according to paragraph (a).  
116.14 The amount paid to the Minnesota State Academies under subdivision 3, paragraph (c),  
116.15 must be reduced by an amount equal to:

116.16 (1) the ratio of 175 to the total number of students on May 1; times

116.17 (2) the total basic revenue determined according to subdivision 3, paragraph (c).

116.18 Sec. 5. Minnesota Statutes 2004, section 125A.65, subdivision 10, is amended to read:

116.19 Subd. 10. **Annual appropriation.** There is annually appropriated to the department  
116.20 for the Minnesota State Academies the tuition or aid payment amounts received and  
116.21 credited to the general operation account of the academies under this section. A balance  
116.22 in an appropriation under this paragraph does not cancel but is available in successive  
116.23 fiscal years.

116.24 Sec. 6. Minnesota Statutes 2004, section 125A.69, subdivision 3, is amended to read:

116.25 Subd. 3. **Out-of-state admissions.** An applicant from another state who can benefit  
116.26 from attending either academy may be admitted to the academy if the admission does not  
116.27 prevent an eligible Minnesota resident from being admitted. The board of the Minnesota  
116.28 State Academies must obtain reimbursement from the other state for the costs of the  
116.29 out-of-state admission. The state board may enter into an agreement with the appropriate  
116.30 authority in the other state for the reimbursement. Money received from another state  
116.31 must be deposited in the general special revenue fund and credited to the general operating  
116.32 account of the academies. The money is appropriated to the academies.

116.33 **EFFECTIVE DATE.** This section is effective retroactively from fiscal year 2001.

117.1 Sec. 7. Laws 2005, First Special Session chapter 5, article 10, section 5, subdivision 2,  
117.2 is amended to read:

117.3

117.4 Subd. 2. **Department.** (a) For the Department of Education:

117.5

117.6 \$ 21,997,000 ..... 2006

117.7 ~~22,847,000~~

117.8 \$ 22,867,000 ..... 2007

117.9

117.10 Any balance in the first year does not cancel but is available in the second year.

117.11

117.12 (b) \$260,000 each year is for the Minnesota Children's Museum.

117.13

117.14 (c) \$41,000 each year is for the Minnesota Academy of Science.

117.15

117.16 (d) \$605,000 each year is for the Board of Teaching.

117.17

117.18 (e) \$160,000 each year is for the Board of School Administrators.

117.19

117.20 (f) \$300,000 in fiscal year 2006 and \$1,150,000 in fiscal year 2007 are for the  
117.21 value-added index assessment model.

117.22

117.23 (g) The expenditures of federal grants and aids as shown in the biennial budget  
117.24 document and its supplements are approved and appropriated and shall be spent as  
117.25 indicated.

117.26 (h) The base for fiscal years 2008 and 2009 is \$22,847,000.

117.27

117.28

## ARTICLE 9

117.29

### EDUCATION FORECAST ADJUSTMENTS

117.30

#### A. GENERAL EDUCATION

117.31 Section 1. Laws 2005, First Special Session chapter 5, article 1, section 54, subdivision  
117.32 3, is amended to read:

117.33 Subd. 3. **Referendum tax base replacement aid.** For referendum tax base  
117.34 replacement aid under Minnesota Statutes, section 126C.17, subdivision 7a:

118.1 ~~8,704,000~~

118.2 \$ 9,200,000 ..... 2006

118.3 \$ 8,704,000 ..... 2007

118.4 The 2006 appropriation includes \$1,366,000 for 2005 and ~~\$7,338,000~~ \$7,834,000  
118.5 for 2006.

118.6 The 2007 appropriation includes ~~\$1,366,000~~ \$870,000 for 2006 and ~~\$7,338,000~~  
118.7 \$7,834,000 for 2007.

118.8 **EFFECTIVE DATE. This section is effective the day following final enactment.**

118.9 Sec. 2. Laws 2005, First Special Session chapter 5, article 1, section 54, subdivision 5,  
118.10 is amended to read:

118.11 Subd. 5. **Abatement revenue.** For abatement aid under Minnesota Statutes, section  
118.12 127A.49:

118.13 ~~903,000~~

118.14 \$ 909,000 ..... 2006

118.15 ~~955,000~~

118.16 \$ 1,026,000 ..... 2007

118.17 The 2006 appropriation includes \$187,000 for 2005 and ~~\$716,000~~ \$722,000 for 2006.

118.18 The 2007 appropriation includes ~~\$133,000~~ \$80,000 for 2006 and ~~\$822,000~~ \$946,000  
118.19 for 2007.

118.20 **EFFECTIVE DATE. This section is effective the day following final enactment.**

118.21 Sec. 3. Laws 2005, First Special Session chapter 5, article 1, section 54, subdivision 6,  
118.22 is amended to read:

118.23 Subd. 6. **Consolidation transition.** For districts consolidating under Minnesota  
118.24 Statutes, section 123A.485:

118.25 ~~253,000~~

118.26 \$ 527,000 ..... 2007

118.27 The 2007 appropriation includes \$0 for 2006 and ~~\$253,000~~ \$527,000 for 2007.

118.28 Sec. 4. Laws 2005, First Special Session chapter 5, article 1, section 54, subdivision 7,  
118.29 is amended to read:

119.1 Subd. 7. **Nonpublic pupil education aid.** For nonpublic pupil education aid under  
119.2 Minnesota Statutes, sections 123B.87 and 123B.40 to 123B.43:

119.3 ~~15,370,000~~

119.4 \$ 15,458,000 ..... 2006

119.5 ~~16,434,000~~

119.6 \$ 15,991,000 ..... 2007

119.7 The 2006 appropriation includes ~~\$2,305,000~~ \$1,864,000 for 2005 and ~~\$13,065,000~~  
119.8 \$13,594,000 for 2006.

119.9 The 2007 appropriation includes ~~\$2,433,000~~ \$1,510,000 for 2006 and ~~\$14,001,000~~  
119.10 \$14,481,000 for 2007.

119.11 **EFFECTIVE DATE.** This section is effective the day following final enactment.

119.12 Sec. 5. Laws 2005, First Special Session chapter 5, article 1, section 54, subdivision 8,  
119.13 is amended to read:

119.14 Subd. 8. **Nonpublic pupil transportation.** For nonpublic pupil transportation aid  
119.15 under Minnesota Statutes, section 123B.92, subdivision 9:

119.16 ~~21,451,000~~

119.17 \$ 21,371,000 ..... 2006

119.18 ~~23,043,000~~

119.19 \$ 20,843,000 ..... 2007

119.20 The 2006 appropriation includes \$3,274,000 for 2005 and ~~\$18,177,000~~ \$18,097,000  
119.21 for 2006.

119.22 The 2007 appropriation includes ~~\$3,385,000~~ \$2,010,000 for 2006 and ~~\$19,658,000~~  
119.23 \$18,833,000 for 2007.

119.24 **EFFECTIVE DATE.** This section is effective the day following final enactment.

119.25 **B. EDUCATION EXCELLENCE**

119.26 Sec. 6. Laws 2005, First Special Session chapter 5, article 2, section 84, subdivision 2,  
119.27 is amended to read:

119.28 Subd. 2. **Charter school building lease aid.** For building lease aid under Minnesota  
119.29 Statutes, section 124D.11, subdivision 4:

120.1 ~~25,465,000~~  
 120.2 \$ 25,331,000 ..... 2006  
 120.3 ~~30,929,000~~  
 120.4 \$ 27,806,000 ..... 2007

120.5 The 2006 appropriation includes ~~\$3,324,000~~ \$3,173,000 for 2005 and ~~\$22,141,000~~  
 120.6 \$22,158,000 for 2006.

120.7 The 2007 appropriation includes ~~\$4,123,000~~ \$2,462,000 for 2006 and ~~\$26,806,000~~  
 120.8 \$25,344,000 for 2007.

120.9 **EFFECTIVE DATE.** This section is effective the day following final enactment.

120.10 Sec. 7. Laws 2005, First Special Session chapter 5, article 2, section 84, subdivision 3,  
 120.11 is amended to read:

120.12 Subd. 3. **Charter school startup aid.** For charter school startup cost aid under  
 120.13 Minnesota Statutes, section 124D.11:

120.14 ~~1,393,000~~  
 120.15 \$ 1,291,000 ..... 2006  
 120.16 ~~3,185,000~~  
 120.17 \$ 2,347,000 ..... 2007

120.18 The 2006 appropriation includes \$0 for 2005 and ~~\$1,393,000~~ \$1,291,000 for 2006.

120.19 The 2007 appropriation includes ~~\$259,000~~ \$143,000 for 2006 and ~~\$2,926,000~~  
 120.20 \$2,204,000 for 2007.

120.21 **EFFECTIVE DATE.** This section is effective the day following final enactment.

120.22 Sec. 8. Laws 2005, First Special Session chapter 5, article 2, section 84, subdivision 4,  
 120.23 is amended to read:

120.24 Subd. 4. **Integration aid.** For integration aid under Minnesota Statutes, section  
 120.25 124D.86, subdivision 5:

120.26 ~~57,801,000~~  
 120.27 \$ 59,404,000 ..... 2006  
 120.28 ~~57,536,000~~  
 120.29 \$ 58,405,000 ..... 2007

121.1 The 2006 appropriation includes \$8,545,000 for 2005 and ~~\$49,256,000~~ \$50,859,000  
121.2 for 2006.

121.3 The 2007 appropriation includes ~~\$9,173,000~~ \$5,650,000 for 2006 and ~~\$48,363,000~~  
121.4 \$52,755,000 for 2007.

121.5 **EFFECTIVE DATE.** This section is effective the day following final enactment.

121.6 Sec. 9. Laws 2005, First Special Session chapter 5, article 2, section 84, subdivision 6,  
121.7 is amended to read:

121.8 Subd. 6. **Interdistrict desegregation or integration transportation grants.** For  
121.9 interdistrict desegregation or integration transportation grants under Minnesota Statutes,  
121.10 section 124D.87:

121.11	<del>7,768,000</del>		
121.12	\$ <u>6,032,000</u>	.....	2006
121.13	<del>9,908,000</del>		
121.14	\$ <u>10,134,000</u>	.....	2007

121.15 **EFFECTIVE DATE.** This section is effective the day following final enactment.

121.16 Sec. 10. Laws 2005, First Special Session chapter 5, article 2, section 84, subdivision  
121.17 7, is amended to read:

121.18 Subd. 7. **Success for the future.** For American Indian success for the future grants  
121.19 under Minnesota Statutes, section 124D.81:

121.20	<del>2,137,000</del>		
121.21	\$ <u>2,240,000</u>	.....	2006
121.22	\$ 2,137,000	.....	2007

121.23 The 2006 appropriation includes ~~\$335,000~~ \$316,000 for 2005 and ~~\$1,802,000~~  
121.24 \$1,924,000 for 2006.

121.25 The 2007 appropriation includes ~~\$335,000~~ \$213,000 for 2006 and ~~\$1,802,000~~  
121.26 \$1,924,000 for 2007.

121.27 **EFFECTIVE DATE.** This section is effective the day following final enactment.

121.28 Sec. 11. Laws 2005, First Special Session chapter 5, article 2, section 84, subdivision  
121.29 10, is amended to read:

122.1 Subd. 10. **Tribal contract schools.** For tribal contract school aid under Minnesota  
122.2 Statutes, section 124D.83:

122.3 ~~2,389,000~~

122.4 \$ 2,338,000 ..... 2006

122.5 ~~2,603,000~~

122.6 \$ 2,357,000 ..... 2007

122.7 The 2006 appropriation includes \$348,000 for 2005 and ~~\$2,041,000~~ \$1,990,000  
122.8 for 2006.

122.9 The 2007 appropriation includes ~~\$380,000~~ \$221,000 for 2006 and ~~\$2,223,000~~  
122.10 \$2,136,000 for 2007.

122.11 **EFFECTIVE DATE.** This section is effective the day following final enactment.

122.12 **C. SPECIAL PROGRAMS**

122.13 Sec. 12. Laws 2005, First Special Session chapter 5, article 3, section 18, subdivision  
122.14 2, is amended to read:

122.15 Subd. 2. **Special education; regular.** For special education aid under Minnesota  
122.16 Statutes, section 125A.75:

122.17 ~~528,846,000~~

122.18 \$ 559,485,000 ..... 2006

122.19 ~~527,446,000~~

122.20 \$ 528,106,000 ..... 2007

122.21 The 2006 appropriation includes \$83,078,000 for 2005 and ~~\$445,768,000~~  
122.22 \$476,407,000 for 2006.

122.23 The 2007 appropriation includes ~~\$83,019,000~~ \$52,934,000 for 2006 and  
122.24 ~~\$444,427,000~~ \$475,172,000 for 2007.

122.25 **EFFECTIVE DATE.** This section is effective the day following final enactment.

122.26 Sec. 13. Laws 2005, First Special Session chapter 5, article 3, section 18, subdivision  
122.27 3, is amended to read:

122.28 Subd. 3. **Aid for children with disabilities.** For aid under Minnesota Statutes,  
122.29 section 125A.75, subdivision 3, for children with disabilities placed in residential facilities  
122.30 within the district boundaries for whom no district of residence can be determined:

123.1 ~~2,212,000~~

123.2 \$ 1,527,000 ..... 2006

123.3 ~~2,615,000~~

123.4 \$ 1,624,000 ..... 2007

123.5 If the appropriation for either year is insufficient, the appropriation for the other  
123.6 year is available.

123.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.

123.8 Sec. 14. Laws 2005, First Special Session chapter 5, article 3, section 18, subdivision  
123.9 4, is amended to read:

123.10 Subd. 4. **Travel for home-based services.** For aid for teacher travel for home-based  
123.11 services under Minnesota Statutes, section 125A.75, subdivision 1:

123.12 ~~187,000~~

123.13 \$ 198,000 ..... 2006

123.14 \$ 195,000 ..... 2007

123.15 The 2006 appropriation includes \$28,000 for 2005 and ~~\$159,000~~ \$170,000 for 2006.

123.16 The 2007 appropriation includes ~~\$29,000~~ \$18,000 for 2006 and ~~\$166,000~~ \$177,000  
123.17 for 2007.

123.18 **EFFECTIVE DATE.** This section is effective the day following final enactment.

123.19 Sec. 15. Laws 2005, First Special Session chapter 5, article 3, section 18, subdivision  
123.20 5, is amended to read:

123.21 Subd. 5. **Special education; excess costs.** For excess cost aid under Minnesota  
123.22 Statutes, section 125A.79, subdivision 7:

123.23 ~~102,083,000~~

123.24 \$ 106,453,000 ..... 2006

123.25 ~~104,286,000~~

123.26 \$ 104,333,000 ..... 2007

123.27 The 2006 appropriation includes \$37,455,000 for 2005 and ~~\$64,628,000~~ \$68,998,000  
123.28 for 2006.

123.29 The 2007 appropriation includes ~~\$38,972,000~~ \$34,602,000 for 2006 and ~~\$65,314,000~~  
123.30 \$69,731,000 for 2007.



124.1 **EFFECTIVE DATE. This section is effective the day following final enactment.**

124.2 Sec. 16. Laws 2005, First Special Session chapter 5, article 3, section 18, subdivision  
124.3 6, is amended to read:

124.4 Subd. 6. **Transition for disabled students.** For aid for transition programs for  
124.5 children with disabilities under Minnesota Statutes, section 124D.454:

124.6 ~~8,788,000~~

124.7 \$ 9,300,000 ..... 2006

124.8 ~~8,765,000~~

124.9 \$ 8,781,000 ..... 2007

124.10 The 2006 appropriation includes \$1,380,000 for 2005 and ~~\$7,408,000~~ \$7,920,000  
124.11 for 2006.

124.12 The 2007 appropriation includes ~~\$1,379,000~~ \$880,000 for 2006 and ~~\$7,386,000~~  
124.13 \$7,901,000 for 2007.

124.14 **EFFECTIVE DATE. This section is effective the day following final enactment.**

124.15 Sec. 17. Laws 2005, First Special Session chapter 5, article 3, section 18, subdivision  
124.16 7, is amended to read:

124.17 Subd. 7. **Court-placed special education revenue.** For reimbursing serving  
124.18 school districts for unreimbursed eligible expenditures attributable to children placed in  
124.19 the serving school district by court action under Minnesota Statutes, section 125A.79,  
124.20 subdivision 4:

124.21 ~~65,000~~

124.22 \$ 46,000 ..... 2006

124.23 \$ 70,000 ..... 2007

124.24 **EFFECTIVE DATE. This section is effective the day following final enactment.**

124.25 Sec. 18. Laws 2005, First Special Session chapter 5, article 4, section 25, subdivision  
124.26 2, is amended to read:

124.27 Subd. 2. **Health and safety revenue.** For health and safety aid according to  
124.28 Minnesota Statutes, section 123B.57, subdivision 5:

125.1 ~~802,000~~  
 125.2 \$ 823,000 ..... 2006

125.3 ~~578,000~~  
 125.4 \$ 352,000 ..... 2007

125.5 The 2006 appropriation includes \$211,000 for 2005 and ~~\$591,000~~ \$612,000 for 2006.

125.6 The 2007 appropriation includes ~~\$109,000~~ \$68,000 for 2006 and ~~\$469,000~~ \$284,000  
 125.7 for 2007.

125.8 **EFFECTIVE DATE.** This section is effective the day following final enactment.

125.9 Sec. 19. Laws 2005, First Special Session chapter 5, article 4, section 25, subdivision  
 125.10 4, is amended to read:

125.11 Subd. 4. **Alternative facilities bonding aid.** For alternative facilities bonding aid,  
 125.12 according to Minnesota Statutes, section 123B.59, subdivision 1:

125.13 ~~19,287,000~~  
 125.14 \$ 20,387,000 ..... 2006  
 125.15 \$ 19,287,000 ..... 2007

125.16 The 2006 appropriation includes \$3,028,000 for 2005 and ~~\$16,259,000~~ \$17,359,000  
 125.17 for 2006.

125.18 The 2007 appropriation includes ~~\$3,028,000~~ \$1,928,000 for 2006 and ~~\$16,259,000~~  
 125.19 \$17,359,000 for 2007.

125.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.

125.21 **D. NUTRITION AND ACCOUNTING**

125.22 Sec. 20. Laws 2005, First Special Session chapter 5, article 5, section 17, subdivision  
 125.23 3, is amended to read:

125.24 Subd. 3. **Traditional school breakfast; kindergarten milk.** For traditional school  
 125.25 breakfast aid and kindergarten milk under Minnesota Statutes, sections 124D.1158 and  
 125.26 124D.118:

125.27 ~~4,878,000~~  
 125.28 \$ 4,856,000 ..... 2006  
 125.29 ~~4,968,000~~  
 125.30 \$ 5,044,000 ..... 2007

126.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

126.2 **E. LIBRARIES**

126.3 Sec. 21. Laws 2005, First Special Session chapter 5, article 6, section 1, subdivision 3,  
126.4 is amended to read:

126.5 Subd. 3. **Multicounty, multitype library systems.** For grants under Minnesota  
126.6 Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

126.7 ~~903,000~~

126.8 \$ 954,000 ..... 2006

126.9 \$ 903,000 ..... 2007

126.10 The 2006 appropriation includes \$141,000 for 2005 and ~~\$762,000~~ \$813,000 for 2006.

126.11 The 2007 appropriation includes ~~\$141,000~~ \$90,000 for 2006 and ~~\$762,000~~ \$813,000  
126.12 for 2007.

126.13 **EFFECTIVE DATE.** This section is effective the day following final enactment.

126.14 Sec. 22. Laws 2005, First Special Session chapter 5, article 6, section 1, subdivision 5,  
126.15 is amended to read:

126.16 Subd. 5. **Regional library telecommunications aid.** For regional library  
126.17 telecommunications aid under Minnesota Statutes, section 134.355:

126.18 ~~1,200,000~~

126.19 \$ 1,268,000 ..... 2006

126.20 \$ 1,200,000 ..... 2007

126.21 The 2006 appropriation includes \$188,000 for 2005 and ~~\$1,012,000~~ \$1,080,000  
126.22 for 2006.

126.23 The 2007 appropriation includes ~~\$188,000~~ \$120,000 for 2006 and ~~\$1,012,000~~  
126.24 \$1,080,000 for 2007.

126.25 **EFFECTIVE DATE.** This section is effective the day following final enactment.

126.26 **F. EARLY CHILDHOOD EDUCATION**

126.27 Sec. 23. Laws 2005, First Special Session chapter 5, article 7, section 20, subdivision  
126.28 2, is amended to read:

126.29 Subd. 2. **School readiness.** For revenue for school readiness programs under  
126.30 Minnesota Statutes, sections 124D.15 and 124D.16:

127.1 ~~9,020,000~~  
 127.2 \$ 9,528,000 ..... 2006

127.3 ~~9,042,000~~  
 127.4 \$ 9,020,000 ..... 2007

127.5 The 2006 appropriation includes ~~\$1,417,000~~ \$1,415,000 for 2005 and ~~\$7,603,000~~  
 127.6 \$8,113,000 for 2006.

127.7 The 2007 appropriation includes ~~\$1,415,000~~ \$901,000 for 2006 and ~~\$7,627,000~~  
 127.8 \$8,119,000 for 2007.

127.9 **EFFECTIVE DATE.** This section is effective the day following final enactment.

127.10 **G. PREVENTION**

127.11 Sec. 24. Laws 2005, First Special Session chapter 5, article 8, section 8, subdivision 2,  
 127.12 is amended to read:

127.13 Subd. 2. **Community education aid.** For community education aid under  
 127.14 Minnesota Statutes, section 124D.20:

127.15 ~~1,918,000~~  
 127.16 \$ 2,043,000 ..... 2006

127.17 ~~1,837,000~~  
 127.18 \$ 1,949,000 ..... 2007

127.19 The 2006 appropriation includes ~~\$390,000~~ \$385,000 for 2005 and ~~\$1,528,000~~  
 127.20 \$1,658,000 for 2006.

127.21 The 2007 appropriation includes ~~\$284,000~~ \$184,000 for 2006 and ~~\$1,553,000~~  
 127.22 \$1,765,000 for 2007.

127.23 **EFFECTIVE DATE.** This section is effective the day following final enactment.

127.24 Sec. 25. Laws 2005, First Special Session chapter 5, article 8, section 8, subdivision 3,  
 127.25 is amended to read:

127.26 Subd. 3. **Adults with disabilities program aid.** For adults with disabilities  
 127.27 programs under Minnesota Statutes, section 124D.56:

127.28 ~~710,000~~  
 127.29 \$ 750,000 ..... 2006

127.30 \$ 710,000 ..... 2007

128.1 The 2006 appropriation includes \$111,000 for 2005 and ~~\$599,000~~ \$639,000 for 2006.  
 128.2 The 2007 appropriation includes ~~\$111,000~~ \$71,000 for 2006 and ~~\$599,000~~ \$639,000  
 128.3 for 2007.

128.4 **EFFECTIVE DATE.** This section is effective the day following final enactment.

128.5 Sec. 26. Laws 2005, First Special Session chapter 5, article 8, section 8, subdivision 5,  
 128.6 is amended to read:

128.7 Subd. 5. **School-age care revenue.** For extended day aid under Minnesota Statutes,  
 128.8 section 124D.22:

128.9 \$ 17,000 ..... 2006

128.10 ~~7,000~~

128.11 \$ 4,000 ..... 2007

128.12 The 2006 appropriation includes \$4,000 for 2005 and \$13,000 for 2006.

128.13 The 2007 appropriation includes ~~\$2,000~~ \$1,000 for 2006 and ~~\$5,000~~ \$3,000 for 2007.

128.14

## 128.15 ARTICLE 10

### 128.16 TECHNICAL AND CONFORMING AMENDMENTS

128.17 Section 1. Minnesota Statutes 2005 Supplement, section 120B.11, subdivision 2, is  
 128.18 amended to read:

128.19 Subd. 2. **Adopting policies.** (a) A school board shall have in place an adopted  
 128.20 written policy that includes the following:

128.21 (1) district goals for instruction including the use of best practices, district and  
 128.22 school curriculum, and achievement for all student subgroups;

128.23 (2) a process for evaluating each student's progress toward meeting academic  
 128.24 standards and identifying the strengths and weaknesses of instruction and curriculum  
 128.25 affecting students' progress;

128.26 (3) a system for periodically reviewing and evaluating all instruction and curriculum;

128.27 (4) a plan for improving instruction, curriculum, and student achievement; and

128.28 (5) an education effectiveness plan aligned with section 122A.625 that integrates  
 128.29 instruction, curriculum, and technology.

128.30 Sec. 2. Minnesota Statutes 2004, section 121A.15, subdivision 10, is amended to read:

129.1 Subd. 10. **Requirements for immunization statements.** (a) A statement required  
 129.2 to be submitted under subdivisions 1, 2, and 4 to document evidence of immunization  
 129.3 shall include month, day, and year for immunizations administered after January 1, 1990.

129.4 ~~(a) For persons enrolled in grades 7 and 12 during the 1996-1997 school term, the~~  
 129.5 ~~statement must indicate that the person has received a dose of tetanus and diphtheria~~  
 129.6 ~~toxoid no earlier than 11 years of age.~~

129.7 ~~(b) Except as specified in paragraph (c), for persons enrolled in grades 7, 8, and 12~~  
 129.8 ~~during the 1997-1998 school term, the statement must indicate that the person has received~~  
 129.9 ~~a dose of tetanus and diphtheria toxoid no earlier than 11 years of age.~~

129.10 ~~(c) Except as specified in paragraph (c), for persons enrolled in grades 7 through~~  
 129.11 ~~12 during the 1998-1999 school term and for each year thereafter, the statement must~~  
 129.12 ~~indicate that the person has received a dose of tetanus and diphtheria toxoid no earlier~~  
 129.13 ~~than 11 years of age.~~

129.14 ~~(d) For persons enrolled in grades 7 through 12 during the 1996-1997 school year~~  
 129.15 ~~and for each year thereafter, the statement must indicate that the person has received at~~  
 129.16 ~~least two doses of vaccine against measles, mumps, and rubella, given alone or separately~~  
 129.17 ~~and given not less than one month apart.~~

129.18 ~~(e)~~ (b) A person who has received at least three doses of tetanus and diphtheria  
 129.19 toxoids, with the most recent dose given after age six and before age 11, is not required to  
 129.20 have additional immunization against diphtheria and tetanus until ten years have elapsed  
 129.21 from the person's most recent dose of tetanus and diphtheria toxoid.

129.22 ~~(f)~~ (c) The requirement for hepatitis B vaccination shall apply to persons enrolling in  
 129.23 kindergarten beginning with the 2000-2001 school term.

129.24 ~~(g)~~ (d) The requirement for hepatitis B vaccination shall apply to persons enrolling  
 129.25 in grade 7 beginning with the 2001-2002 school term.

129.26 Sec. 3. Minnesota Statutes 2005 Supplement, section 123B.04, subdivision 2, is  
 129.27 amended to read:

129.28 Subd. 2. **Agreement.** (a) Upon the request of 60 percent of the licensed employees  
 129.29 of a site or a school site decision-making team, the school board shall enter into  
 129.30 discussions to reach an agreement concerning the governance, management, or control of  
 129.31 the school. A school site decision-making team may include the school principal, teachers  
 129.32 in the school or their designee, other employees in the school, representatives of pupils  
 129.33 in the school, or other members in the community. A school site decision-making team  
 129.34 must include at least one parent of a pupil in the school. For purposes of formation of a  
 129.35 new site, a school site decision-making team may be a team of teachers that is recognized

130.1 by the board as a site. The school site decision-making team shall include the school  
130.2 principal or other person having general control and supervision of the school. The site  
130.3 decision-making team must reflect the diversity of the education site. At least one-half  
130.4 of the members shall be employees of the district, unless an employee is the parent of a  
130.5 student enrolled in the school site, in which case the employee may elect to serve as a  
130.6 parent member of the site team.

130.7 (b) School site decision-making agreements must delegate powers, duties, and  
130.8 broad management responsibilities to site teams and involve staff members, students as  
130.9 appropriate, and parents in decision making.

130.10 (c) An agreement shall include a statement of powers, duties, responsibilities, and  
130.11 authority to be delegated to and within the site.

130.12 (d) An agreement may include:

130.13 (1) an achievement contract according to subdivision 4;

130.14 (2) a mechanism to allow principals, a site leadership team, or other persons having  
130.15 general control and supervision of the school, to make decisions regarding how financial  
130.16 and personnel resources are best allocated at the site and from whom goods or services  
130.17 are purchased;

130.18 (3) a mechanism to implement parental involvement programs under section  
130.19 124D.895 and to provide for effective parental communication and feedback on this  
130.20 involvement at the site level;

130.21 (4) a provision that would allow the team to determine who is hired into licensed  
130.22 and nonlicensed positions;

130.23 (5) a provision that would allow teachers to choose the principal or other person  
130.24 having general control;

130.25 (6) an amount of revenue allocated to the site under subdivision 3; and

130.26 (7) any other powers and duties determined appropriate by the board.

130.27 The school board of the district remains the legal employer under clauses (4) and (5).

130.28 (e) Any powers or duties not delegated to the school site management team in the  
130.29 school site management agreement shall remain with the school board.

130.30 (f) Approved agreements shall be filed with the commissioner. If a school board  
130.31 denies a request or the school site and school board fail to reach an agreement to enter  
130.32 into a school site management agreement, the school board shall provide a copy of the  
130.33 request and the reasons for its denial to the commissioner.

130.34 (g) A site decision-making grant program is established, consistent with this  
130.35 subdivision, to allow sites to implement an agreement that at least:

131.1 (1) notwithstanding subdivision 3, allocates to the site all revenue that is attributable  
131.2 to the students at that site;

131.3 (2) includes a provision, consistent with current law and the collective bargaining  
131.4 agreement in effect, that allows the site team to decide who is selected from within the  
131.5 district for licensed and nonlicensed positions at the site and to make staff assignments  
131.6 in the site; and

131.7 (3) includes a completed performance agreement under subdivision 4.

131.8 The commissioner shall establish the form and manner of the application for a grant  
131.9 and annually, at the end of each fiscal year, report to the house of representatives and  
131.10 senate committees having jurisdiction over education on the progress of the program.

131.11 Sec. 4. Minnesota Statutes 2004, section 125A.62, subdivision 1, is amended to read:

1.12 Subdivision 1. **Governance.** The board of the Minnesota State Academies shall  
131.13 govern the State ~~Academies~~ Academy for the Deaf and the State Academy for the Blind.  
131.14 The board must promote academic standards based on high expectation and an assessment  
131.15 system to measure academic performance toward the achievement of those standards. The  
131.16 board must focus on the academies' needs as a whole and not prefer one school over the  
131.17 other. The board of the Minnesota State Academies shall consist of nine persons. The  
131.18 members of the board shall be appointed by the governor with the advice and consent of  
131.19 the senate. One member must be from the seven-county metropolitan area, one member  
131.20 must be from greater Minnesota, and one member may be appointed at-large. The board  
131.21 must be composed of:

131.22 (1) one present or former superintendent of an independent school district;

131.23 (2) one present or former special education director;

131.24 (3) the commissioner of education or the commissioner's designee;

131.25 (4) one member of the blind community;

131.26 (5) one member of the deaf community;

131.27 (6) two members of the general public with business, administrative, or financial  
131.28 expertise;

131.29 (7) one nonvoting, unpaid ex officio member appointed by the site council for the  
131.30 State Academy for the Deaf; and

131.31 (8) one nonvoting, unpaid ex officio member appointed by the site council for the  
131.32 State Academy for the Blind.

131.33 Sec. 5. Minnesota Statutes 2005 Supplement, section 126C.10, subdivision 24, is  
131.34 amended to read:



132.1 Subd. 24. **Equity revenue.** (a) A school district qualifies for equity revenue if:

132.2 (1) the school district's adjusted marginal cost pupil unit amount of basic revenue,  
132.3 supplemental revenue, transition revenue, and referendum revenue is less than the value of  
132.4 the school district at or immediately above the 95th percentile of school districts in its  
132.5 equity region for those revenue categories; and

132.6 (2) the school district's administrative offices are not located in a city of the first  
132.7 class on July 1, 1999.

132.8 (b) Equity revenue for a qualifying district that receives referendum revenue under  
132.9 section 126C.17, subdivision 4, equals the product of (1) the district's adjusted marginal  
132.10 cost pupil units for that year; times (2) the sum of (i) \$13, plus (ii) \$75, times the school  
132.11 district's equity index computed under subdivision 27.

132.12 (c) Equity revenue for a qualifying district that does not receive referendum revenue  
132.13 under section 126C.17, subdivision 4, equals the product of the district's adjusted marginal  
132.14 cost pupil units for that year times \$13.

132.15 (d) A school district's equity revenue is increased by the greater of zero or an amount  
132.16 equal to the district's resident marginal cost pupil units times the difference between ten  
132.17 percent of the statewide average amount of referendum revenue per resident marginal cost  
132.18 pupil unit for that year and the district's referendum revenue per resident marginal cost  
132.19 pupil unit. A school district's revenue under this paragraph must not exceed \$100,000 for  
132.20 that year.

132.21 (e) A school district's equity revenue for a school district located in the metro equity  
132.22 region equals the amount computed in paragraphs (b), (c), and (d) multiplied by 1.25.

132.23 (f) For fiscal year 2007 and later, notwithstanding paragraph (a), clause (2), a school  
132.24 district that has per pupil referendum revenue below the 95th percentile qualifies for  
132.25 additional equity revenue equal to \$46 times its adjusted marginal cost pupil unit.

132.26 (g) A district that does not qualify for revenue under paragraph (f) qualifies for  
132.27 equity revenue equal to one-half of the per pupil allowance in paragraph (f) times its  
132.28 adjusted marginal cost pupil units.

132.29 Sec. 6. Minnesota Statutes 2005 Supplement, section 626.556, subdivision 2, is  
132.30 amended to read:

132.31 Subd. 2. **Definitions.** As used in this section, the following terms have the meanings  
132.32 given them unless the specific content indicates otherwise:

132.33 (a) "Family assessment" means a comprehensive assessment of child safety, risk  
132.34 of subsequent child maltreatment, and family strengths and needs that is applied to a  
132.35 child maltreatment report that does not allege substantial child endangerment. Family

133.1 assessment does not include a determination as to whether child maltreatment occurred  
133.2 but does determine the need for services to address the safety of family members and the  
133.3 risk of subsequent maltreatment.

133.4 (b) "Investigation" means fact gathering related to the current safety of a child  
133.5 and the risk of subsequent maltreatment that determines whether child maltreatment  
133.6 occurred and whether child protective services are needed. An investigation must be used  
133.7 when reports involve substantial child endangerment, and for reports of maltreatment in  
133.8 facilities required to be licensed under chapter 245A or 245B; under sections 144.50 to  
133.9 144.58 and 241.021; in a school as defined in sections 120A.05, subdivisions 9, 11, and  
133.10 13, and 124D.10; or in a nonlicensed personal care provider association as defined in  
133.11 sections 256B.04, subdivision 16, and 256B.0625, subdivision 19a.

133.12 (c) "Substantial child endangerment" means a person responsible for a child's care, a  
3.13 person who has a significant relationship to the child as defined in section 609.341, or a  
133.14 person in a position of authority as defined in section 609.341, who by act or omission  
133.15 commits or attempts to commit an act against a child under their care that constitutes  
133.16 any of the following:

133.17 (1) egregious harm as defined in section 260C.007, subdivision 14;

133.18 (2) sexual abuse as defined in paragraph (d);

133.19 (3) abandonment under section 260C.301, subdivision 2;

133.20 (4) neglect as defined in paragraph (f), clause (2), that substantially endangers the  
133.21 child's physical or mental health, including a growth delay, which may be referred to as  
133.22 failure to thrive, that has been diagnosed by a physician and is due to parental neglect;

133.23 (5) murder in the first, second, or third degree under section 609.185, 609.19, or  
133.24 609.195;

133.25 (6) manslaughter in the first or second degree under section 609.20 or 609.205;

133.26 (7) assault in the first, second, or third degree under section 609.221, 609.222, or  
133.27 609.223;

133.28 (8) solicitation, inducement, and promotion of prostitution under section 609.322;

133.29 (9) criminal sexual conduct under sections 609.342 to 609.3451;

133.30 (10) solicitation of children to engage in sexual conduct under section 609.352;

133.31 (11) malicious punishment or neglect or endangerment of a child under section  
133.32 609.377 or 609.378;

133.33 (12) use of a minor in sexual performance under section 617.246; or

3.34 (13) parental behavior, status, or condition which mandates that the county attorney  
133.35 file a termination of parental rights petition under section 260C.301, subdivision 3,  
133.36 paragraph (a).

134.1 (d) "Sexual abuse" means the subjection of a child by a person responsible for the  
134.2 child's care, by a person who has a significant relationship to the child, as defined in  
134.3 section 609.341, or by a person in a position of authority, as defined in section 609.341,  
134.4 subdivision 10, to any act which constitutes a violation of section 609.342 (criminal sexual  
134.5 conduct in the first degree), 609.343 (criminal sexual conduct in the second degree),  
134.6 609.344 (criminal sexual conduct in the third degree), 609.345 (criminal sexual conduct  
134.7 in the fourth degree), or 609.3451 (criminal sexual conduct in the fifth degree). Sexual  
134.8 abuse also includes any act which involves a minor which constitutes a violation of  
134.9 prostitution offenses under sections 609.321 to 609.324 or 617.246. Sexual abuse includes  
134.10 threatened sexual abuse.

134.11 (e) "Person responsible for the child's care" means (1) an individual functioning  
134.12 within the family unit and having responsibilities for the care of the child such as a  
134.13 parent, guardian, or other person having similar care responsibilities, or (2) an individual  
134.14 functioning outside the family unit and having responsibilities for the care of the child  
134.15 such as a teacher, school administrator, other school employees or agents, or other lawful  
134.16 custodian of a child having either full-time or short-term care responsibilities including,  
134.17 but not limited to, day care, babysitting whether paid or unpaid, counseling, teaching,  
134.18 and coaching.

134.19 (f) "Neglect" means:

134.20 (1) failure by a person responsible for a child's care to supply a child with necessary  
134.21 food, clothing, shelter, health, medical, or other care required for the child's physical or  
134.22 mental health when reasonably able to do so;

134.23 (2) failure to protect a child from conditions or actions that seriously endanger the  
134.24 child's physical or mental health when reasonably able to do so, including a growth delay,  
134.25 which may be referred to as a failure to thrive, that has been diagnosed by a physician and  
134.26 is due to parental neglect;

134.27 (3) failure to provide for necessary supervision or child care arrangements  
134.28 appropriate for a child after considering factors as the child's age, mental ability, physical  
134.29 condition, length of absence, or environment, when the child is unable to care for the  
134.30 child's own basic needs or safety, or the basic needs or safety of another child in their care;

134.31 (4) failure to ensure that the child is educated as defined in sections 120A.22 and  
134.32 260C.163, subdivision 11, which does not include a parent's refusal to provide the parent's  
134.33 child with sympathomimetic medications, consistent with section 125A.091, subdivision 5;

134.34 (5) nothing in this section shall be construed to mean that a child is neglected solely  
134.35 because the child's parent, guardian, or other person responsible for the child's care in  
134.36 good faith selects and depends upon spiritual means or prayer for treatment or care of

135.1 disease or remedial care of the child in lieu of medical care; except that a parent, guardian,  
135.2 or caretaker, or a person mandated to report pursuant to subdivision 3, has a duty to report  
135.3 if a lack of medical care may cause serious danger to the child's health. This section does  
135.4 not impose upon persons, not otherwise legally responsible for providing a child with  
135.5 necessary food, clothing, shelter, education, or medical care, a duty to provide that care;

135.6 (6) prenatal exposure to a controlled substance, as defined in section 253B.02,  
135.7 subdivision 2, used by the mother for a nonmedical purpose, as evidenced by withdrawal  
135.8 symptoms in the child at birth, results of a toxicology test performed on the mother at  
135.9 delivery or the child at birth, or medical effects or developmental delays during the child's  
135.10 first year of life that medically indicate prenatal exposure to a controlled substance;

135.11 (7) "medical neglect" as defined in section 260C.007, subdivision 6, clause (5);

135.12 (8) chronic and severe use of alcohol or a controlled substance by a parent or  
135.13 person responsible for the care of the child that adversely affects the child's basic needs  
135.14 and safety; or

135.15 (9) emotional harm from a pattern of behavior which contributes to impaired  
135.16 emotional functioning of the child which may be demonstrated by a substantial and  
135.17 observable effect in the child's behavior, emotional response, or cognition that is not  
135.18 within the normal range for the child's age and stage of development, with due regard to  
135.19 the child's culture.

135.20 (g) "Physical abuse" means any physical injury, mental injury, or threatened injury,  
135.21 inflicted by a person responsible for the child's care on a child other than by accidental  
135.22 means, or any physical or mental injury that cannot reasonably be explained by the child's  
135.23 history of injuries, or any aversive or deprivation procedures, or regulated interventions,  
135.24 that have not been authorized under section 121A.67 or 245.825. Abuse does not include  
135.25 reasonable and moderate physical discipline of a child administered by a parent or legal  
135.26 guardian which does not result in an injury. Abuse does not include the use of reasonable  
135.27 force by a teacher, principal, or school employee as allowed by section 121A.582. Actions  
135.28 which are not reasonable and moderate include, but are not limited to, any of the following  
135.29 that are done in anger or without regard to the safety of the child:

135.30 (1) throwing, kicking, burning, biting, or cutting a child;

135.31 (2) striking a child with a closed fist;

135.32 (3) shaking a child under age three;

135.33 (4) striking or other actions which result in any nonaccidental injury to a child  
135.34 under 18 months of age;

135.35 (5) unreasonable interference with a child's breathing;

135.36 (6) threatening a child with a weapon, as defined in section 609.02, subdivision 6;

- 136.1 (7) striking a child under age one on the face or head;
- 136.2 (8) purposely giving a child poison, alcohol, or dangerous, harmful, or controlled  
136.3 substances which were not prescribed for the child by a practitioner, in order to control  
136.4 or punish the child; or other substances that substantially affect the child's behavior,  
136.5 motor coordination, or judgment or that results in sickness or internal injury, or subjects  
136.6 the child to medical procedures that would be unnecessary if the child were not exposed  
136.7 to the substances;
- 136.8 (9) unreasonable physical confinement or restraint not permitted under section  
136.9 609.379, including but not limited to tying, caging, or chaining; or
- 136.10 (10) in a school facility or school zone, an act by a person responsible for the child's  
136.11 care that is a violation under section 121A.58.
- 136.12 (h) "Report" means any report received by the local welfare agency, police  
136.13 department, county sheriff, or agency responsible for assessing or investigating  
136.14 maltreatment pursuant to this section.
- 136.15 (i) "Facility" means:
- 136.16 (1) a licensed or unlicensed day care facility, residential facility, agency, hospital,  
136.17 sanitarium, or other facility or institution required to be licensed under sections 144.50 to  
136.18 144.58, 241.021, or 245A.01 to 245A.16, or chapter 245B; or
- 136.19 (2) a school as defined in sections 120A.05, subdivisions 9, 11, and 13; and  
136.20 124D.10; or
- 136.21 (3) a nonlicensed personal care provider organization as defined in sections 256B.04,  
136.22 subdivision 16, and 256B.0625, subdivision 19a.
- 136.23 (j) "Operator" means an operator or agency as defined in section 245A.02.
- 136.24 (k) "Commissioner" means the commissioner of human services.
- 136.25 (l) "Practice of social services," for the purposes of subdivision 3, includes but is  
136.26 not limited to employee assistance counseling and the provision of guardian ad litem and  
136.27 parenting time expeditor services.
- 136.28 (m) "Mental injury" means an injury to the psychological capacity or emotional  
136.29 stability of a child as evidenced by an observable or substantial impairment in the child's  
136.30 ability to function within a normal range of performance and behavior with due regard to  
136.31 the child's culture.
- 136.32 (n) "Threatened injury" means a statement, overt act, condition, or status that  
136.33 represents a substantial risk of physical or sexual abuse or mental injury. Threatened  
136.34 injury includes, but is not limited to, exposing a child to a person responsible for the  
136.35 child's care, as defined in paragraph (e), clause (1), who has:

137.1 (1) subjected a child to, or failed to protect a child from, an overt act or condition  
 137.2 that constitutes egregious harm, as defined in section 260C.007, subdivision 14, or a  
 137.3 similar law of another jurisdiction;

137.4 (2) been found to be palpably unfit under section 260C.301, paragraph (b), clause  
 137.5 (4), or a similar law of another jurisdiction;

137.6 (3) committed an act that has resulted in an involuntary termination of parental rights  
 137.7 under section 260C.301, or a similar law of another jurisdiction; or

137.8 (4) committed an act that has resulted in the involuntary transfer of permanent legal  
 137.9 and physical custody of a child to a relative under section 260C.201, subdivision 11,  
 137.10 paragraph (d), clause (1), or a similar law of another jurisdiction.

137.11 (o) Persons who conduct assessments or investigations under this section shall take  
 137.12 into account accepted child-rearing practices of the culture in which a child participates  
 137.13 and accepted teacher discipline practices, which are not injurious to the child's health,  
 137.14 welfare, and safety.

137.15 **ARTICLE 11**  
 137.16 **HIGHER EDUCATION**

137.17 Section 1. **HIGHER EDUCATION APPROPRIATIONS.**

137.18 The sums shown in the columns marked "APPROPRIATIONS" are added to or, if  
 137.19 shown in parentheses, subtracted from the appropriations in Laws 2005, chapter 107,  
 137.20 article 1, or other law to the agencies and for the purposes specified in this article. The  
 137.21 appropriations are from the general fund or another named fund and are available for the  
 137.22 fiscal years indicated for each purpose. The figures "2006" and "2007" used in this article  
 137.23 mean that the addition to the appropriation listed under them is available for the fiscal year  
 137.24 ending June 30, 2006, or June 30, 2007, respectively. "The first year" is fiscal year 2006.  
 137.25 "The second year" is fiscal year 2007. "The biennium" is fiscal years 2006 and 2007.

137.26 **SUMMARY BY FUND**

		<u>2006</u>		<u>2007</u>		<u>TOTAL</u>
137.27						
137.28	<u>General</u>	\$	<u>-0-</u>	\$	<u>4,700,000</u>	\$ <u>4,700,000</u>

137.29 **SUMMARY BY AGENCY - ALL FUNDS**

	<u>2006</u>	<u>2007</u>	<u>TOTAL</u>
137.30			

138.1 Office of Higher Education \$ -0- \$ (300,000) \$ (300,000)

138.2 Board of Regents of the

138.3 University of Minnesota -0- 5,000,000 5,000,000

138.4		<u>APPROPRIATIONS</u>
138.5		<u>Available for the Year</u>
138.6		<u>Ending June 30</u>
138.7		<u>2006</u> <u>2007</u>

138.8 **Sec. 2. OFFICE OF HIGHER EDUCATION** -0- (300,000)

138.9 **State grant program**

138.10 The appropriation base is \$144,406,000 for  
 138.11 fiscal year 2008 and \$144,406,000 for fiscal  
 138.12 year 2009.

138.13 **Sec. 3. BOARD OF REGENTS OF THE**

138.14 **UNIVERSITY OF MINNESOTA** -0- 5,000,000

138.15 **University of Minnesota - Rochester**

138.16 For academic programs supporting the  
 138.17 University of Minnesota - Rochester,  
 138.18 including faculty, staff, and program  
 138.19 planning and development in the areas  
 138.20 of biomedical technologies, engineering  
 138.21 and computer technologies, health care  
 138.22 administration, and allied health programs;  
 138.23 ongoing operations of industrial liaison  
 138.24 activities; and operation of leased facilities.  
 138.25 The appropriation base is \$5,000,000 for  
 138.26 fiscal year 2008 and \$6,330,000 for fiscal  
 138.27 year 2009.

138.28 Sec. 4. Minnesota Statutes 2004, section 135A.031, is amended by adding a  
 138.29 subdivision to read:

138.30 **Subd. 3a. Determination of instructional services base. The instructional services**  
 138.31 **base for each public postsecondary system is the sum of: (1) the state share; (2) the**

139.1 legislatively estimated tuition for the second year of the most recent biennium; and (3)  
139.2 adjustments for inflation and enrollment changes as calculated in subdivision 4a.

139.3 Sec. 5. Minnesota Statutes 2004, section 135A.031, is amended by adding a  
139.4 subdivision to read:

139.5 Subd. 4a. Adjustment for enrollments. (a) Each public postsecondary system's  
139.6 instructional services base shall be adjusted for estimated changes in enrollments. For  
139.7 each two percent change in estimated full-year equivalent enrollment, an adjustment shall  
139.8 be made to 65 percent of the instructional services base. The remaining 35 percent of the  
139.9 instructional services base is not subject to the adjustment in this subdivision.

139.10 (b) When student enrollment is used for budgeting purposes, the student enrollment  
139.11 shall be measured in full-year equivalents and shall include only enrollments in courses  
139.12 that award credit or otherwise satisfy any of the requirements of an academic or vocational  
139.13 program.

139.14 (c) The enrollment adjustment shall be made for each year of the subsequent  
139.15 biennium. The base enrollment year is the 1995 fiscal year enrollment. The base  
139.16 enrollment shall be updated for each two percent change in estimated full-year equivalent  
139.17 enrollment. If the actual enrollment differs from the estimated enrollment, an adjustment  
139.18 shall be made in the next biennium.

139.19 Sec. 6. Minnesota Statutes 2004, section 135A.031, subdivision 7, is amended to read:

139.20 Subd. 7. Reports. Instructional expenditure and enrollment data for each  
139.21 instructional category shall be submitted to the Office of Higher Education and the  
139.22 Department of Finance and included in the biennial budget document. The specific data  
139.23 shall be submitted only after the director of the Office of Higher Education has consulted  
139.24 with a data advisory task force to determine the need, content, and detail of the information.

139.25 Sec. 7. [135A.043] RESIDENT TUITION.

139.26 (a) A student shall qualify for a resident tuition rate or its equivalent at state  
139.27 universities and colleges, including the University of Minnesota, if the student meets  
139.28 all of the following requirements:

139.29 (1) high school attendance within the state for three or more years;

139.30 (2) graduation from a state high school or attainment within the state of the  
139.31 equivalent of high school graduation; and

139.32 (3) registration as an entering student at, or current enrollment in, a public institution  
139.33 of higher education.



140.1 (b) This section is in addition to any other statute, rule, or higher education  
140.2 institution regulation or policy providing eligibility for a resident tuition rate or its  
140.3 equivalent to a student.

140.4 (c) To qualify for resident tuition under this section an individual who is not a citizen  
140.5 or permanent resident of the United States must provide the college or university with  
140.6 an affidavit that the individual will file an application to become a permanent resident at  
140.7 the earliest opportunity the individual is eligible to do so.

140.8 **EFFECTIVE DATE.** This section is effective the day following final enactment  
140.9 and applies to tuition for school terms commencing on or after that date.

140.10 Sec. 8. Minnesota Statutes 2004, section 135A.053, subdivision 2, is amended to read:

140.11 Subd. 2. **Performance and accountability.** Higher education systems and  
140.12 campuses are expected to achieve the objectives in subdivision 1 and will be held  
140.13 accountable for doing so. The legislature is increasing the flexibility of the systems and  
140.14 campuses to provide greater responsibility to higher education in deciding how to achieve  
140.15 statewide objectives, and to decentralize authority so that those decisions can be made  
140.16 at the level where the education is delivered. ~~To demonstrate their accountability, the~~  
140.17 ~~legislature expects each system and campus to measure and report on its performance,~~  
140.18 ~~using meaningful indicators that are critical to achieving the objectives in subdivision 1,~~  
140.19 ~~as provided in section 135A.033.~~ Nothing in this section precludes a system or campus  
140.20 from determining its own objectives and performance measures beyond those identified  
140.21 in this section.

140.22 Sec. 9. Minnesota Statutes 2005 Supplement, section 135A.52, subdivision 1, is  
140.23 amended to read:

140.24 Subdivision 1. **Fees and tuition.** Except for an administration fee established by the  
140.25 governing board at a level to recover costs, to be collected only when a course is taken for  
140.26 credit, a senior citizen who is a legal resident of Minnesota is entitled without payment  
140.27 of tuition or activity fees to attend courses offered for credit, audit any courses offered  
140.28 for credit, or enroll in any noncredit courses in any state supported institution of higher  
140.29 education in Minnesota when space is available after all tuition-paying students have been  
140.30 accommodated. A senior citizen enrolled under this section must pay any materials,  
140.31 personal property, or service charges for the course. In addition, a senior citizen who is  
140.32 enrolled in a course for credit must pay an administrative fee in an amount established  
140.33 by the governing board of the institution to recover ~~the course~~ costs. There shall be no  
140.34 administrative fee charges to a senior citizen auditing a course. For the purposes of this

141.1 section and section 135A.51, the term "noncredit courses" shall not include those courses  
 141.2 designed and offered specifically and exclusively for senior citizens.

141.3 The provisions of this section and section 135A.51 do not apply to noncredit courses  
 141.4 designed and offered by the University of Minnesota, and the Minnesota State Colleges  
 141.5 and Universities specifically and exclusively for senior citizens. Senior citizens enrolled  
 141.6 under the provisions of this section and section 135A.51 shall not be included by such  
 141.7 institutions in their computation of full-time equivalent students when requesting staff  
 141.8 or appropriations.

141.9 Sec. 10. Minnesota Statutes 2005 Supplement, section 135A.52, subdivision 2, is  
 141.10 amended to read:

141.11 Subd. 2. **Term; income of senior citizens.** (a) Except under paragraph (b), there  
 141.12 shall be no limit to the number of terms, quarters, or semesters a senior citizen may attend  
 141.13 courses, nor income limitation imposed in determining eligibility.

141.14 (b) A senior citizen enrolled in a closed enrollment contract training ~~or professional~~  
 141.15 ~~continuing education~~ program is not eligible for benefits under subdivision 1.

141.16 Sec. 11. Minnesota Statutes 2004, section 136A.101, subdivision 4, is amended to read:

141.17 Subd. 4. **Eligible institution.** "Eligible institution" means a postsecondary  
 141.18 educational institution that:

141.19 (1) is located in this state or in a state with which the office has entered into a higher  
 141.20 education reciprocity agreement on state student aid programs that either (1);

141.21 (2) is operated by this state or by the University of Minnesota, or (2) is operated  
 141.22 publicly or privately and, as determined by the office, maintains academic standards  
 141.23 substantially equivalent to those of comparable institutions operated in this state; and

141.24 (3) is licensed or registered as a postsecondary institution by the Office of Higher  
 141.25 Education or another state agency.

141.26 Eligible institutions must participate in federal student aid programs under Title IV  
 141.27 of the Higher Education Act of 1965, as amended. An institution that participated in  
 141.28 the state grant program in fiscal year 2007 but did not participate in federal student aid  
 141.29 programs under Title IV of the Higher Education Act of 1965, as amended, must become  
 141.30 a participant in the federal student aid programs by July 1, 2009, or lose eligibility to  
 141.31 participate in the state grant program.

141.32 Sec. 12. Minnesota Statutes 2004, section 136A.101, subdivision 8, is amended to read:

142.1 Subd. 8. **Resident student.** "Resident student" means a student who meets one of  
142.2 the following conditions:

142.3 (1) a student who has resided in Minnesota for purposes other than postsecondary  
142.4 education for at least 12 months without being enrolled at a postsecondary educational  
142.5 institution for more than five credits in any term;

142.6 (2) a dependent student whose parent or legal guardian resides in Minnesota at the  
142.7 time the student applies;

142.8 (3) a student who graduated from a Minnesota high school, if the student was a  
142.9 resident of Minnesota during the student's period of attendance at the Minnesota high  
142.10 school and the student is physically attending a Minnesota postsecondary educational  
142.11 institution; or

142.12 (4) a student who, after residing in the state for a minimum of one year, earned a  
142.13 high school equivalency certificate in Minnesota;

142.14 (5) a member, spouse, or dependent of a member of the armed forces of the United  
142.15 States stationed in Minnesota on active federal military service as defined in section  
142.16 190.05, subdivision 5c;

142.17 (6) a person or spouse of a person who relocated to Minnesota from an area that  
142.18 is declared a presidential disaster area within the preceding 12 months if the disaster  
142.19 interrupted the person's postsecondary education; or

142.20 (7) a person defined as a refugee under United States Code, title 8, section  
142.21 1101(a)(42), who, upon arrival in the United States, moved to Minnesota and has  
142.22 continued to reside in Minnesota.

142.23 Sec. 13. Minnesota Statutes 2005 Supplement, section 136A.121, subdivision 7a,  
142.24 is amended to read:

142.25 Subd. 7a. **Surplus appropriation.** If the amount appropriated is determined by the  
142.26 office to be more than sufficient to fund projected grant demand in the second year of the  
142.27 biennium, the office may increase the living and miscellaneous expense allowance in the  
142.28 second year of the biennium by up to an amount that retains sufficient appropriations  
142.29 to fund the projected grant demand. The adjustment may be made one or more times.  
142.30 In making the determination that there are more than sufficient funds, the office shall  
142.31 balance the need for sufficient resources to meet the projected demand for grants with the  
142.32 goal of fully allocating the appropriation for state grants. An increase in the living and  
142.33 miscellaneous expense allowance under this subdivision does not carry forward into a  
142.34 subsequent biennium. This subdivision expires June 30, ~~2007~~ 2009.

143.1 Sec. 14. Minnesota Statutes 2004, section 136A.15, subdivision 6, is amended to read:

143.2 Subd. 6. **Eligible institution.** "Eligible institution" means a postsecondary  
143.3 educational institution that ~~either~~:

143.4 (1) is operated or regulated by this state or by the University of Minnesota, or ~~(2)~~ is  
143.5 operated publicly or privately in another state, is approved by the United States Secretary  
143.6 of Education, and, as determined by the office, maintains academic standards substantially  
143.7 equal to those of comparable institutions operated in this state. ~~It also includes any~~  
143.8 ~~institution chartered in a province;~~ or

143.9 (2) is licensed or registered as a postsecondary institution by the Office of Higher  
143.10 Education or another state agency.

143.11 Eligible institutions must participate in federal student aid programs under Title  
143.12 IV of the Higher Education Act of 1965, as amended. An institution that participated  
143.13 in the SELF program in fiscal year 2007 but did not participate in federal student aid  
143.14 programs under Title IV of the Higher Education Act of 1965, as amended, must become  
143.15 a participant in the federal student aid programs by July 1, 2009, or lose eligibility to  
143.16 participate in the SELF program.

143.17 An eligible institution must sign an institutional loan participation agreement with  
143.18 the office that lists the duties and responsibilities of both the institution and the office.

143.19 Sec. 15. Minnesota Statutes 2004, section 136A.15, subdivision 9, is amended to read:

143.20 Subd. 9. **Minnesota resident student.** "Minnesota resident student" means a  
143.21 student who meets one of the following conditions ~~in section 136A.101, subdivision 8:~~

143.22 (1) a student who has resided in Minnesota for purposes other than postsecondary  
143.23 education for at least 12 months without being enrolled at a postsecondary educational  
143.24 institution for more than five credits in any term;

143.25 (2) a dependent student whose parent or legal guardian resides in Minnesota at the  
143.26 time the student applies;

143.27 (3) a student who graduated from a Minnesota high school, if the student was a  
143.28 resident of Minnesota during the student's period of attendance at the Minnesota high  
143.29 school and the student is physically attending a Minnesota postsecondary educational  
143.30 institution; or

143.31 (4) a student who, after residing in the state for a minimum of one year, earned a  
143.32 high school equivalency certificate in Minnesota.

143.33 Sec. 16. Minnesota Statutes 2004, section 136A.15, is amended by adding a  
143.34 subdivision to read:

- 144.1 Subd. 10. Eligible cosigner. "Eligible cosigner" means a cosigner who:  
144.2 (1) is at least 24 years old, and at least 18 years old if a sibling;  
144.3 (2) is a United States citizen or permanent resident;  
144.4 (3) permanently resides in the United States;  
144.5 (4) agrees to the release of information to a consumer credit reporting agency, as  
144.6 specified in section 136A.162, paragraph (b); and  
144.7 (5) is creditworthy by meeting all of the following requirements:  
144.8 (i) no balances at a consumer credit reporting agency discharged through bankruptcy  
144.9 within the seven years prior to application for credit;  
144.10 (ii) no garnishments, attachments, foreclosure, repossession, or defendant in a suit to  
144.11 collect a debt appearing on the credit report;  
144.12 (iii) no tax or mechanics liens or judgments appearing on the credit report;  
144.13 (iv) no items that are charged off or are delinquent for 120 days or more, that  
144.14 in total exceed \$50; and  
144.15 (v) no more than five percent of current balances at a consumer credit reporting  
144.16 agency past due, that in total exceed \$50.  
144.17 The office may establish alternative credit requirements using credit scoring.

144.18 Sec. 17. Minnesota Statutes 2004, section 136A.16, is amended by adding a  
144.19 subdivision to read:

144.20 Subd. 16. Interest rate swaps and other agreements. (a) The office may enter into  
144.21 interest rate exchange or swap agreements, hedges, forward purchase or sale agreements,  
144.22 or other comparable interest rate protection agreements with a third party in connection  
144.23 with the issuance or proposed issuance of bonds, outstanding bonds or notes, or existing  
144.24 comparable interest rate protection agreements.

144.25 (b) The agreements authorized by this subdivision include, without limitation, master  
144.26 agreements, options, or contracts to enter into those agreements in the future and related  
144.27 agreements, including, without limitation, agreements to provide credit enhancement,  
144.28 liquidity, or remarketing.

144.29 (c) The agreements authorized by this subdivision may be entered into on the basis  
144.30 of negotiation with a qualified third party or through a competitive proposal process on  
144.31 terms and conditions as and with covenants and provisions approved by the office and  
144.32 may include, without limitation:

- 144.33 (1) provisions establishing reserves;  
144.34 (2) pledging assets or revenues of the office for current or other payments or  
144.35 termination payments;

145.1 (3) contracting with the other parties to the agreements to provide for the custody,  
 145.2 collection, securing, investment, and payment of money of the office or money held in  
 145.3 trust; or

145.4 (4) requiring the issuance of bonds or other agreements authorized by this section  
 145.5 in the future.

145.6 (d) With respect to bonds or notes outstanding or proposed to be issued bearing  
 145.7 interest at a variable rate, the office may agree to pay sums equal to interest at a fixed rate  
 145.8 or at a different variable rate determined in accordance with a formula set out in the  
 145.9 agreement on an amount not exceeding the outstanding principal amount of the bonds or  
 145.10 notes at the time of payment in exchange for an agreement by the third party to pay sums  
 145.11 equal to interest on a like amount at a variable rate determined according to a formula  
 145.12 set out in the agreement.

145.13 (e) With respect to bonds or notes outstanding or proposed to be issued bearing  
 145.14 interest at a fixed rate or rates, the office may agree to pay sums equal to interest at a  
 145.15 variable rate determined in accordance with a formula set out in the agreement on an  
 145.16 amount not exceeding the outstanding principal amount of the bonds or notes at the time of  
 145.17 payment in exchange for an agreement by the third party to pay sums equal to interest on a  
 145.18 like amount at a fixed rate or rates determined according to a formula set in the agreement.

145.19 (f) Subject to any applicable covenants of the office, payments required to be made  
 145.20 by the office under the agreement, including termination payments, may be made from  
 145.21 amounts pledged or available to pay debt service on the bonds or notes with respect to  
 145.22 which the agreement was made or from assets of the loan capital fund of the office.  
 145.23 The office may issue bonds or notes to provide for any payments, including, without  
 145.24 limitation, a termination payment due or to become due under an agreement authorized  
 145.25 under this section.

145.26 Sec. 18. Minnesota Statutes 2004, section 136A.162, is amended to read:

145.27 **136A.162 CLASSIFICATION OF DATA.**

145.28 All data on applicants for financial assistance collected and used by the Higher  
 145.29 Education Services Office for student financial aid programs administered by that office  
 145.30 shall be classified as private data on individuals under section 13.02, subdivision 12.

145.31 Exceptions to this classification are that:

145.32 ~~(a) the names and addresses of program recipients or participants are public data;~~

145.33 ~~(b) data on applicants may be disclosed to the commissioner of human services~~  
 145.34 ~~to the extent necessary to determine eligibility under section 136A.121, subdivision 2,~~  
 145.35 ~~clause (5); and~~

146.1 ~~(c)~~ (b) the following data collected in the Minnesota supplemental loan program  
 146.2 under section 136A.1701 may be disclosed to a consumer credit reporting agency only  
 146.3 if the borrower and the cosigner give informed consent, according to section 13.05,  
 146.4 subdivision 4, at the time of application for a loan:

- 146.5 (1) the lender-assigned borrower identification number;
- 146.6 (2) the name and address of borrower;
- 146.7 (3) the name and address of cosigner;
- 146.8 (4) the date the account is opened;
- 146.9 (5) the outstanding account balance;
- 146.10 (6) the dollar amount past due;
- 146.11 (7) the number of payments past due;
- 146.12 (8) the number of late payments in previous 12 months;
- 146.13 (9) the type of account;
- 146.14 (10) the responsibility for the account; and
- 146.15 (11) the status or remarks code.

146.16 Sec. 19. Minnesota Statutes 2004, section 136A.1701, subdivision 4, is amended to  
 146.17 read:

146.18 Subd. 4. **Terms and conditions of loans.** (a) The office may loan money upon such  
 146.19 terms and conditions as the office may prescribe. The principal amount of a loan to an  
 146.20 undergraduate student for a single academic year shall not exceed \$6,000 for grade levels  
 146.21 1 and 2 effective July 1, 2006, through June 30, 2007. Effective July 1, 2007, the principal  
 146.22 amount of a loan for grade levels 1 and 2 shall not exceed \$7,500. The principal amount  
 146.23 of a loan for grade levels 3, 4, and 5 shall not exceed \$7,500 effective July 1, 2006. The  
 146.24 aggregate principal amount of all loans made under this section to an undergraduate  
 146.25 student shall not exceed ~~\$25,000~~ \$34,500 through June 30, 2007, and \$37,500 after June  
 146.26 30, 2007. The principal amount of a loan to a graduate student for a single academic year  
 146.27 shall not exceed \$9,000. The aggregate principal amount of all loans made under this  
 146.28 section to a student as ~~a~~ an undergraduate and graduate student shall not exceed ~~\$40,000.~~  
 146.29 \$52,500 through June 30, 2007, and \$55,500 after June 30, 2007. The amount of the loan  
 146.30 may not exceed the cost of attendance less all other financial aid, including PLUS loans or  
 146.31 other similar parent loans borrowed on the student's behalf. The cumulative SELF loan  
 146.32 debt must not exceed the borrowing maximums in paragraph (b).

146.33 (b) The cumulative undergraduate borrowing maximums for SELF loans are:

146.34 (1) effective July 1, 2006, through June 30, 2007:

146.35 (i) grade level 1, \$6,000;

- 147.1 (ii) grade level 2, \$12,000;  
147.2 (iii) grade level 3, \$19,500;  
147.3 (iv) grade level 4, \$27,000; and  
147.4 (v) grade level 5, \$34,500; and  
147.5 (2) effective July 1, 2007:  
147.6 (i) grade level 1, \$7,500;  
147.7 (ii) grade level 2, \$15,000;  
147.8 (iii) grade level 3, \$22,500;  
147.9 (iv) grade level 4, \$30,000; and  
147.10 (v) grade level 5, \$37,500.

147.11 Sec. 20. Minnesota Statutes 2004, section 136A.1701, subdivision 7, is amended to  
147.12 read:

147.13 Subd. 7. **Repayment of loans.** (a) The office shall establish repayment procedures  
147.14 for loans made under this section, but in no event shall the period of permitted repayment  
147.15 for SELF II or SELF III loans exceed ten years from the eligible student's termination of  
147.16 the student's postsecondary academic or vocational program, or 15 years from the date of  
147.17 the student's first loan under this section, whichever is less.

147.18 (b) For SELF loans from phases after SELF III, eligible students with aggregate  
147.19 principal loan balances from all SELF phases that are less than \$18,750 shall have a  
147.20 repayment period not exceeding ten years from the eligible student's graduation or  
147.21 termination date. For SELF loans from phases after SELF III, eligible students with  
147.22 aggregate principal loan balances from all SELF phases of \$18,750 or greater shall  
147.23 have a repayment period not exceeding 15 years from the eligible student's graduation  
147.24 or termination date. For SELF loans from phases after SELF III, the loans shall enter  
147.25 repayment no later than seven years after the first disbursement date on the loan.

147.26 Sec. 21. Minnesota Statutes 2005 Supplement, section 136A.1701, subdivision 12,  
147.27 is amended to read:

147.28 Subd. 12. **Eligible student.** "Eligible student" means a student who is a Minnesota  
147.29 resident who is enrolled or accepted for enrollment at an eligible institution in Minnesota  
147.30 or in another state ~~or province~~. Non-Minnesota residents are eligible students if they are  
147.31 enrolled or accepted for enrollment in a minimum of one course of at least 30 days in  
147.32 length during the academic year that requires physical attendance at an eligible institution  
147.33 located in Minnesota. Non-Minnesota resident students enrolled exclusively during the  
147.34 academic year in correspondence courses or courses offered over the Internet are not



148.1 eligible students. Non-Minnesota resident students not physically attending classes in  
148.2 Minnesota due to enrollment in a study abroad program for 12 months or less are eligible  
148.3 students. Non-Minnesota residents enrolled in study abroad programs exceeding 12  
148.4 months are not eligible students. For purposes of this section, an "eligible student" must  
148.5 also meet the eligibility requirements of section 136A.15, subdivision 8.

148.6 Sec. 22. Minnesota Statutes 2004, section 136A.1701, is amended by adding a  
148.7 subdivision to read:

148.8 Subd. 13. Cosigner requirement. All borrowers under this section must have an  
148.9 eligible cosigner. The cosigner is jointly and separately responsible for making loan  
148.10 payments, including principal, interest, and other charges.

148.11 Sec. 23. [136A.1704] LOAN REHABILITATION.

148.12 (a) For SELF loans that have defaulted, the borrower or cosigner has the option to  
148.13 rehabilitate the loan, as loan rehabilitation is not prohibited under any federal or state  
148.14 statute, rule, regulation, act, or requirement.

148.15 (b) A defaulted SELF loan can be rehabilitated only once and rehabilitation can  
148.16 only be attempted twice per loan.

148.17 (c) An agreement specifying the required payment amount and payment due date  
148.18 must be signed by the borrower or cosigner prior to the start of the rehabilitation process  
148.19 and within two years of the default date.

148.20 (d) Twelve consecutive months of on-time payments are required to consider the  
148.21 loan rehabilitated. There is a five-business-day grace period.

148.22 (e) If the loan is paid in full within 90 days of default, the loan will be considered  
148.23 rehabilitated upon receipt of a rehabilitation request.

148.24 (f) Rehabilitation results in removal of the defaulted status, but not the past due  
148.25 history, from the credit bureau.

148.26 Sec. 24. [136A.1705] TEMPORARY TOTAL DISABILITY.

148.27 A temporary total disability for up to three years may be granted to a borrower upon  
148.28 medical certification that the total disability is expected to last four months or longer. The  
148.29 total disability must have originated after the loan was fully disbursed. The borrower is  
148.30 required to provide a certification from a qualified physician. A qualified physician is a  
148.31 doctor of medicine or osteopathy who is legally authorized to practice medicine. Periodic  
148.32 recertifications of the total disability status must be provided upon request. During the

149.1 approved total disability period, the loan does not accrue interest. The borrower shall be  
149.2 given the option to sign a payment extension agreement at the time payments are resumed.

149.3 Sec. 25. Minnesota Statutes 2004, section 136A.233, subdivision 3, is amended to read:

149.4 Subd. 3. **Payments.** Work-study payments shall be made to eligible students by  
149.5 postsecondary institutions as provided in this subdivision.

149.6 (a) Students shall be selected for participation in the program by the postsecondary  
149.7 institution on the basis of student financial need.

149.8 (b) In selecting students for participation, priority must be given to students enrolled  
149.9 for at least 12 credits. In each academic year, a student may be awarded work-study  
149.10 payments for one period of nonenrollment or less than half-time enrollment if the student  
149.11 enrolls on at least a half-time basis during the following academic term.

149.12 (c) Students will be paid for hours actually worked and the maximum hourly rate  
149.13 of pay shall not exceed the maximum hourly rate of pay permitted under the federal  
149.14 college work-study program.

149.15 (d) Minimum pay rates will be determined by an applicable federal or state law.

149.16 (e) The office shall annually establish a minimum percentage rate of student  
149.17 compensation to be paid by an eligible employer.

149.18 (f) Each postsecondary institution receiving money for state work-study grants  
149.19 shall make a reasonable effort to place work-study students in employment with eligible  
149.20 employers outside the institution. However, a public employer other than the institution  
149.21 may not terminate, lay off, or reduce the working hours of a permanent employee for the  
149.22 purpose of hiring a work-study student, or replace a permanent employee who is on layoff  
149.23 from the same or substantially the same job by hiring a work-study student.

149.24 (g) The percent of the institution's work-study allocation provided to graduate  
149.25 students shall not exceed the percent of graduate student enrollment at the participating  
149.26 institution.

149.27 (h) An institution may use up to 30 percent of its allocation for student internships  
149.28 with private, for-profit employers.

149.29 Sec. 26. Minnesota Statutes 2004, section 136F.42, subdivision 1, is amended to read:

149.30 Subdivision 1. **Time reporting.** As provided in Executive Order 96-2, the board,  
149.31 in consultation with the commissioners of employee relations and finance, may develop  
149.32 policies to allow system office or campus employees on salaries, as defined in section  
149.33 43A.17, subdivision 1, to use negative time reporting in which employees report only that  
149.34 time for which leave is taken. ~~By the end of the 1997 fiscal year, the board, in consultation~~

150.1 ~~with the commissioners of employee relations and finance, shall evaluate the use of~~  
150.2 ~~negative time reporting and its potential for use with other state employees.~~

150.3 Sec. 27. Minnesota Statutes 2004, section 136F.02, subdivision 1, is amended to read:

150.4 Subdivision 1. **Membership.** The board consists of 15 members appointed by the  
150.5 governor with the advice and consent of the senate. At least one member of the board  
150.6 must be a resident of each congressional district. Three members must be students who are  
150.7 enrolled at least half time in a degree, diploma, or certificate program or have graduated  
150.8 from an institution governed by the board within one year of the date of appointment. The  
150.9 student members shall include: one member from a community college, one member from  
150.10 a state university, and one member from a technical college. The remaining members must  
150.11 be appointed to represent the state at large. At least one member must be a representative  
150.12 of organized labor and at least one member must be a representative of business.

150.13 **EFFECTIVE DATE.** This section is effective the day following final enactment,  
150.14 applies to appointments to the board made on and after that date, and must be complied  
150.15 with as soon as vacancies can be filled.

150.16 Sec. 28. Minnesota Statutes 2004, section 136F.71, subdivision 2, is amended to read:

150.17 Subd. 2. **Activity funds.** All receipts attributable to the state colleges and  
150.18 universities activity funds ~~and deposited in the state treasury~~ are appropriated to the board  
150.19 and are not subject to budgetary control as exercised by the commissioner of finance.

150.20 Sec. 29. Minnesota Statutes 2004, section 136F.71, is amended by adding a subdivision  
150.21 to read:

150.22 Subd. 4. **Banking services.** Notwithstanding section 16A.27, the board shall  
150.23 have authority to control the amount and manner of deposit of all receipts described in  
150.24 this section in depositories selected by the board. The board's authority shall include  
150.25 specifying the considerations, financial activities, and conditions required from the  
150.26 depository, including the requirement of collateral security or a corporate surety bond  
150.27 as described in section 118A.03. The board may compensate the depository, including  
150.28 paying a reasonable charge to the depository, maintaining appropriate compensating  
150.29 balances with the depository, or purchasing non-interest-bearing certificates of deposit  
150.30 from the depository for performing depository-related services.

150.31 Sec. 30. Minnesota Statutes 2004, section 137.17, subdivision 1, is amended to read:

151.1 Subdivision 1. **Establish.** The Board of Regents may establish a ~~school of~~  
 151.2 ~~professional and graduate studies as a nonresidential~~ branch campus of the University of  
 151.3 Minnesota, in Rochester, to serve the educational needs of working adults and other  
 151.4 ~~nontraditional students in southeastern Minnesota. The campus shall be a joint partnership~~  
 151.5 ~~of the University of Minnesota with Rochester Community and Technical College, and~~  
 151.6 ~~Winona State University.~~ and to foster the economic goals of the region and the state. The  
 151.7 legislature intends that the University of Minnesota expand higher education offerings in  
 151.8 Rochester. It is the intent of the legislature that this be achieved in part by developing new  
 151.9 and strengthening existing partnerships with higher education institutions in Rochester  
 151.10 and the region in which the state already has a significant investment.

151.11 ~~The Board of Trustees of the Minnesota State Colleges and Universities shall~~  
 151.12 ~~cooperate to achieve the foregoing.~~

151.13 Sec. 31. Minnesota Statutes 2004, section 137.17, subdivision 3, is amended to read:

151.14 Subd. 3. **Missions.** The legislature intends that the mission of the expanded  
 151.15 education offerings in Rochester be congruent with the university's unique core mission of  
 151.16 teaching, research, and outreach in order to support the educational needs and economic  
 151.17 development of this region and the state. The legislature recognizes that the distinctiveness  
 151.18 of each of the partner higher education institutions in Rochester must be maintained to  
 151.19 achieve success in serving the higher education needs of the community and the economic  
 151.20 goals of the state. Further, the legislature intends that the University of Minnesota and the  
 151.21 ~~other partner institutions avoid duplicative offerings of courses and programs. Therefore,~~  
 151.22 ~~the University of Minnesota, Winona State University, and Rochester Community and~~  
 151.23 ~~Technical College shall develop jointly a statement of missions, roles, and responsibilities~~  
 151.24 ~~for the programs and services at Rochester which shall be submitted to the legislature by~~  
 151.25 ~~January 30, 2000, and any time thereafter that the missions, roles, and responsibilities~~  
 151.26 ~~change.~~

151.27 Sec. 32. **TEMPORARY PROVISION FOR APPROVAL OF CERTAIN HIGHER**  
 151.28 **EDUCATION DEGREES.**

151.29 Subdivision 1. **Supersede.** This section supersedes any conflicting Minnesota  
 151.30 statute or rule.

151.31 Subd. 2. **Degree approval.** A school licensed pursuant to Minnesota Statutes,  
 151.32 chapter 141, may not grant a degree as defined in Minnesota Statutes, section 136A.62,  
 151.33 subdivision 4, unless the degree is approved by the Office of Higher Education.

152.1 Subd. 3. Approval criteria. A school licensed pursuant to Minnesota Statutes,  
 152.2 chapter 141, to obtain approval to grant a degree must provide evidence to the Office of  
 152.3 Higher Education that the following requirements are met:

152.4 (1) the school employs qualified teaching personnel to provide the educational  
 152.5 programs for each degree for which approval is sought;

152.6 (2) the educational program is appropriate to each degree for which approval is  
 152.7 sought;

152.8 (3) the school has appropriate and accessible library, laboratory, and other physical  
 152.9 facilities to support the education program for each degree for which approval is sought;

152.10 and

152.11 (4) the school makes a rationale showing that the degree programs are consistent  
 152.12 with the school's mission and goals.

152.13 Subd. 4. Effect of approval. Approval to grant a degree under this section has the  
 152.14 same effect as approval under Minnesota Statutes, section 136A.65.

152.15 Subd. 5. Notice of changes. A school authorized to grant a degree under this section  
 152.16 must notify the Office of Higher Education of proposed changes to the degree and the  
 152.17 addition of majors or specialty areas to a degree.

152.18 Subd. 6. Expiration. This section expires June 30, 2007.

152.19 EFFECTIVE DATE. This section is effective the day following final enactment.

152.20 **Sec. 33. HIGHER EDUCATION TEXTBOOK COST STUDY.**

152.21 The Minnesota Office of Higher Education shall convene an advisory task force  
 152.22 to study the costs of required textbooks for students attending public and nonpublic  
 152.23 postsecondary institutions. The task force must, at a minimum, include students, faculty,  
 152.24 and administrators. The study must, without limitation, examine textbook pricing trends  
 152.25 and strategies, the practice of textbook rental, policies related to repurchase of textbooks  
 152.26 from students, textbook selection policies, and purchasing practices of colleges and  
 152.27 universities. The task force must review the findings and recommendations of other  
 152.28 existing studies and any state or national laws that have been considered or adopted to  
 152.29 reduce the financial burden of textbook costs. The office must report on its findings and  
 152.30 present any recommendations by January 15, 2007, to the legislative committees with  
 152.31 jurisdiction over higher education policy and finance.

152.32 **Sec. 34. MINNESOTA STATE UNIVERSITY, MANKATO, CONSTRUCTION**  
 152.33 **AUTHORIZATION.**

153.1 The Board of Trustees of the Minnesota State Colleges and Universities may design,  
 153.2 construct, furnish, and equip an academic building on the Minnesota State University,  
 153.3 Mankato campus for the College of Business at a site approved by the board using  
 153.4 nonstate money.

153.5 Sec. 35. **UNIVERSITY OF MINNESOTA LICENSING AND MINNESOTA**  
 153.6 **MARKET IMPACT STUDY.**

153.7 The University of Minnesota is requested to establish a task force to study the  
 153.8 market impact on Minnesota producers of agricultural products from the University of  
 153.9 Minnesota licensing germplasm and to make recommendations to the legislature and the  
 153.10 Board of Regents on ways to mitigate any negative impacts on Minnesota businesses that  
 153.11 arise from University of Minnesota license agreements.

153.12 The task force must include:

153.13 (1) a representative of the University of Minnesota;

153.14 (2) a representative of the Department of Agriculture, serving as the chair; and

153.15 (3) representatives of the Minnesota Farm Bureau, the Minnesota Farmers Union,

153.16 agricultural commodity organizations, the Minnesota Apple Growers Association, the

153.17 Minnesota Fruit and Vegetable Growers Association, the Minnesota Nursery Landscape

153.18 Association, and the Minnesota Grown Program. The chair may also invite participation

153.19 from other staff and faculty of the University of Minnesota as necessary to fulfill the

153.20 purpose of the task force. Members serve on the task force on a voluntary basis.

153.21 The task force is requested to report to the committees of the legislature with

153.22 responsibility for higher education no later than January 15, 2007.

153.23 Sec. 36. **REVISOR'S INSTRUCTION.**

153.24 The revisor of statutes shall delete the term "sections 136A.15 to 136A.1702" and

153.25 insert "sections 136A.15 to 136A.1705" wherever it appears in Minnesota Statutes and

153.26 Minnesota Rules.

153.27 Sec. 37. **EXPIRATION OF RULE.**

153.28 Minnesota Rules, part 4830.0100, subpart 5, item F, expires on the effective date

153.29 of this section.

153.30 Sec. 38. **REPEALER.**

153.31 Minnesota Statutes 2004, sections 135A.031, subdivision 5; 135A.033; 136A.15,

153.32 subdivision 5; 136A.1702; and 137.17, subdivisions 2 and 4; Minnesota Statutes 2005

154.1 Supplement, section 135A.031, subdivisions 3 and 4; and Minnesota Rules, parts  
 154.2 4850.0011, subparts 9, 10, 14, and 27; and 4850.0014, subpart 1, are repealed.

154.3 **ARTICLE 12**

154.4 **ENVIRONMENT, NATURAL RESOURCES, AND AGRICULTURE**

154.5 Section 1. **ENVIRONMENTAL, NATURAL RESOURCES, AND**  
 154.6 **AGRICULTURAL APPROPRIATIONS.**

154.7 The sums shown in the columns marked "APPROPRIATIONS" are added to the  
 154.8 appropriations in Laws 2005, First Special Session chapter 1, articles 1 and 2, or other  
 154.9 specified law, to the named agencies and for the specified programs or activities. The sums  
 154.10 shown are appropriated from the general fund, or another named fund, to be available for  
 154.11 the fiscal years indicated for each purpose. The figures "2006" and "2007" used in this  
 154.12 article mean that the appropriation or appropriations listed under them are available for  
 154.13 the fiscal year ending June 30, 2006, or June 30, 2007, respectively. Appropriations in  
 154.14 this article for the fiscal year ending June 30, 2006, are effective the day following final  
 154.15 enactment.

154.16 **SUMMARY BY FUND**

154.17		<u>2006</u>		<u>2007</u>		<u>TOTAL</u>
154.18	<u>General</u>	\$ <u>523,000</u>	\$	<u>2,363,000</u>	\$	<u>2,886,000</u>
154.19	<u>Natural Resources</u>	<u>-0-</u>		<u>465,000</u>		<u>465,000</u>
154.20	<u>Game and Fish</u>	<u>340,000</u>		<u>60,000</u>		<u>400,000</u>
154.21	<u>TOTAL</u>	\$ <u>863,000</u>	\$	<u>2,888,000</u>	\$	<u>3,751,000</u>

154.22 **APPROPRIATIONS**  
 154.23 **Available for the Year**  
 154.24 **Ending June 30**  
 154.25 **2006**                      **2007**

154.26 **Sec. 2. DEPARTMENT OF AGRICULTURE** \$ 158,000 \$ 1,073,000

154.27 This appropriation includes money for the  
 154.28 following purposes:

154.29 (a) Invasive species control activities                      118,000                      130,000

155.1	<u>(b) Compensation payments for livestock</u>		
155.2	<u>depredation and crop damage</u>	<u>40,000</u>	<u>53,000</u>
155.3	<u>(c) Plant pathology and biological control</u>		
155.4	<u>facility operations</u>	<u>-0-</u>	<u>190,000</u>
155.5	<u>(d) Grant to Second Harvest Heartland on behalf</u>		
155.6	<u>of Minnesota's six Second Harvest food banks</u>	<u>-0-</u>	<u>200,000</u>
155.7	<u>For the purchase of milk for distribution</u>		
155.8	<u>to Minnesota's food shelves and other</u>		
155.9	<u>charitable organizations that are eligible</u>		
155.10	<u>to receive food from the food banks. This</u>		
155.11	<u>appropriation becomes base-level funding.</u>		
155.12	<u>Milk purchased under the grants must be</u>		
155.13	<u>acquired from Minnesota milk processors</u>		
155.14	<u>and based on low-cost bids. The milk</u>		
155.15	<u>must be allocated to each Second Harvest</u>		
155.16	<u>food bank serving Minnesota according</u>		
155.17	<u>to the formula used in the distribution of</u>		
155.18	<u>United States Department of Agriculture</u>		
155.19	<u>commodities under the Emergency Food</u>		
155.20	<u>Assistance Program. Second Harvest</u>		
155.21	<u>Heartland must submit quarterly reports</u>		
155.22	<u>to the commissioner on forms prescribed</u>		
155.23	<u>by the commissioner. The reports must</u>		
155.24	<u>include, but are not limited to, information</u>		
155.25	<u>on the expenditure of money, the amount</u>		
155.26	<u>of milk purchased, and the organizations</u>		
155.27	<u>to which the milk was distributed. Second</u>		
155.28	<u>Harvest Heartland may enter into contracts</u>		
155.29	<u>or agreements with food banks for shared</u>		
155.30	<u>funding or reimbursement of the direct</u>		
155.31	<u>purchase of milk. Each food bank receiving</u>		
155.32	<u>money from this appropriation may use up to</u>		



156.1 two percent of the grant for administrative  
 156.2 expenses.

156.3 (e) E85 pump installation grants -0- 500,000

156.4 For grants to gasoline service station owners  
 156.5 who, after the effective date of this section,  
 156.6 install pumps in this state for dispensing E85  
 156.7 gasoline. The commissioner may reimburse  
 156.8 owners of gasoline service stations for up to  
 156.9 50 percent of the total cost of installing an  
 156.10 E85 pump, including the tank and any related  
 156.11 components, up to a maximum of \$15,000  
 156.12 per E85 pump. The commissioner shall grant  
 156.13 priority for E85 pumps installed in areas of  
 156.14 the state where gasoline service stations with  
 156.15 E85 pumps are not reasonably available to the  
 156.16 general public. \$75,000 of this appropriation  
 156.17 is for grants to organizations that promote  
 156.18 the installation of E85 pumps in service  
 156.19 stations. This is a onetime appropriation and  
 156.20 is available until spent.

156.21 **Sec. 3. BOARD OF ANIMAL HEALTH** 277,000 408,000

156.22 To eliminate bovine tuberculosis from cattle  
 156.23 herds in Minnesota. This is a onetime  
 156.24 appropriation.

156.25 **Sec. 4. NATURAL RESOURCES** 428,000 1,407,000

156.26 Summary by Fund

	<u>2006</u>	<u>2007</u>
156.27		
156.28 <u>General</u>	<u>88,000</u>	<u>882,000</u>
156.29 <u>Natural Resources</u>	<u>-0-</u>	<u>465,000</u>
156.30 <u>Game and Fish</u>	<u>340,000</u>	<u>60,000</u>

157.1	<u>(a) Bovine tuberculosis surveillance and</u>		
157.2	<u>diagnosis</u>	<u>88,000</u>	<u>132,000</u>
157.3	<u>To diminish the risk of disease transmission</u>		
157.4	<u>in domestic livestock. This is a onetime</u>		
157.5	<u>appropriation.</u>		
157.6	<u>(b) Prevention and control of harmful invasive</u>		
157.7	<u>species</u>	<u>-0-</u>	<u>550,000</u>
157.8	<u>Of this amount, \$150,000 is for educational</u>		
157.9	<u>and enforcement efforts with commercial</u>		
157.10	<u>businesses to reduce the risk of introducing</u>		
157.11	<u>harmful invasive species; \$150,000 is</u>		
157.12	<u>for reducing the impact of terrestrial</u>		
157.13	<u>invasive species on state recreational and</u>		
157.14	<u>forest lands; \$50,000 is for implementing</u>		
157.15	<u>best management practices designed to</u>		
157.16	<u>prevent the spread of invasive species from</u>		
157.17	<u>department field operations; \$50,000 is</u>		
157.18	<u>for prevention education and awareness</u>		
157.19	<u>programs; and \$150,000 is for grants to local</u>		
157.20	<u>units of government and lake associations</u>		
157.21	<u>to reduce the impacts of aquatic invasive</u>		
157.22	<u>species. This appropriation includes money</u>		
157.23	<u>for the control of curly leaf pondweed in</u>		
157.24	<u>Lake Osakis.</u>		
157.25	<u>(c) Minnesota Shooting Sports Education Center</u>	<u>-0-</u>	<u>100,000</u>
157.26	<u>The commissioner may make direct</u>		
157.27	<u>expenditures for the operation of the center</u>		
157.28	<u>or contract with another entity to operate the</u>		
157.29	<u>center. This appropriation is available only</u>		
157.30	<u>to the extent it is matched by at least \$1 of</u>		
157.31	<u>nonstate money from gifts or grants for each</u>		
157.32	<u>\$2 of state money. This appropriation is</u>		

158.1 added to the agency base of the Department  
 158.2 of Natural Resources.

158.3 (d) Canoe routes -0- 65,000

158.4 This appropriation is from the water  
 158.5 recreation account in the natural resources  
 158.6 fund to the commissioner of natural resources  
 158.7 to cooperate with local units of government  
 158.8 in marking routes and designating river  
 158.9 accesses and campsites under Minnesota  
 158.10 Statutes, section 85.32. This is a onetime  
 158.11 appropriation and is available until spent.

158.12 (e) Emergency deterrent materials assistance 340,000 60,000

158.13 This appropriation is from the game and fish  
 158.14 fund for the emergency deterrent materials  
 158.15 assistance program under Minnesota  
 158.16 Statutes, section 97A.028, subdivision 3.

158.17 (f) Federal recreation area operation -0- 500,000

158.18 \$100,000 is from the general fund and  
 158.19 \$400,000 is from the state parks account  
 158.20 in the natural resources fund to operate  
 158.21 and maintain the U.S. Army Corps of  
 158.22 Engineers recreation sites on Cross Lake,  
 158.23 Gull Lake, Sandy Lake, Leech Lake, Lake  
 158.24 Pokegama, and Lake Winnibigoshish. This  
 158.25 appropriation is contingent upon acceptance  
 158.26 of a long-term agreement with the U.S.  
 158.27 Army Corps of Engineers. Acceptance may  
 158.28 be through a lease arrangement, a transfer  
 158.29 of the recreation lands, or other agreement  
 158.30 with the U.S. Army Corps of Engineers. The  
 158.31 commissioner shall establish fees for these  
 158.32 recreation sites as provided in Minnesota  
 158.33 Statutes, section 85.052, subdivision 3. The

159.1 money collected from fees established under  
 159.2 this section shall be deposited in the natural  
 159.3 resources fund and credited to the state parks  
 159.4 account. This is a onetime appropriation and  
 159.5 is available until spent.

159.6 Sec. 5. Minnesota Statutes 2005 Supplement, section 35.05, is amended to read:

159.7 **35.05 AUTHORITY OF STATE BOARD.**

159.8 (a) The state board may quarantine or kill any domestic animal infected with, or  
 159.9 which has been exposed to, a contagious or infectious dangerous disease if it is necessary  
 159.10 to protect the health of the domestic animals of the state.

159.11 (b) The board may regulate or prohibit the arrival in and departure from the state of  
 159.12 infected or exposed animals and, in case of violation of any rule or prohibition, may detain  
 159.13 any animal at its owner's expense. The board may regulate or prohibit the importation of  
 159.14 domestic animals which, in its opinion, may injure the health of Minnesota livestock.

159.15 (c) When the governor declares an emergency under section 35.0661, the board,  
 159.16 through its executive director, may assume control of such resources within the University  
 159.17 of Minnesota's Veterinary Diagnostic Laboratory as necessary to effectively address the  
 159.18 disease outbreak. The director of the laboratory and other laboratory personnel must  
 159.19 cooperate fully in performing necessary functions related to the outbreak or threatened  
 159.20 outbreak.

159.21 (d) ~~Rules adopted by the board under authority of this chapter must be published~~  
 159.22 ~~in the State Register~~ The board may test or require tests of any bovine or cervidae in  
 159.23 the state when the board deems it necessary to achieve or maintain bovine tuberculosis  
 159.24 accredited free state or zone status under the regulations and laws administered by the  
 159.25 United States Department of Agriculture.

159.26 Sec. 6. Minnesota Statutes 2004, section 84.0835, subdivision 3, is amended to read:

159.27 Subd. 3. **Citation authority.** Employees designated by the commissioner under  
 159.28 subdivision 1 may issue citations, as specifically authorized under this subdivision, for  
 159.29 violations of:

159.30 (1) sections 85.052, subdivision 3 (payment of camping fees in state parks) ~~and~~  
 159.31 85.45, subdivision 1 (cross-country ski pass), and 85.46 (horse trail pass);

159.32 (2) rules relating to hours and days of operation, restricted areas, noise, fireworks,  
 159.33 environmental protection, fires and refuse, pets, picnicking, camping and dispersed  
 159.34 camping, nonmotorized uses, construction of unauthorized permanent trails, mooring of

160.1 boats, fish cleaning, swimming, storage and abandonment of personal property, structures  
160.2 and stands, animal trespass, state park individual and group motor vehicle permits,  
160.3 licensed motor vehicles, designated roads, and snowmobile operation off trails;

160.4 (3) rules relating to off-highway vehicle registration, display of registration numbers,  
160.5 required equipment, operation restrictions, off-trail use for hunting and trapping, and  
160.6 operation in lakes, rivers, and streams;

160.7 (4) rules relating to off-highway vehicle and snowmobile operation causing damage  
160.8 or in closed areas within the Richard J. Dorer Memorial Hardwood State Forest;

160.9 (5) rules relating to parking, snow removal, and damage on state forest roads; and

160.10 (6) rules relating to controlled hunting zones on major wildlife management units.

160.11 **EFFECTIVE DATE.** This section is effective January 1, 2007.

160.12 Sec. 7. Minnesota Statutes 2005 Supplement, section 85.053, subdivision 2, is  
160.13 amended to read:

160.14 Subd. 2. **Requirement.** Except as provided in section 85.054, a motor vehicle  
160.15 may not enter a state park, state recreation area, or state wayside over 50 acres in area,  
160.16 without a state park permit issued under this section. Except for vehicles permitted under  
160.17 ~~subdivision~~ subdivisions 7, paragraph (a), clause (2), and 8, the state park permit must be  
160.18 affixed to the lower right corner windshield of the motor vehicle and must be completely  
160.19 affixed by its own adhesive to the windshield, or the commissioner may, by written order,  
160.20 provide an alternative means to display and validate annual permits.

160.21 **EFFECTIVE DATE.** This section is effective January 1, 2007.

160.22 Sec. 8. Minnesota Statutes 2004, section 85.053, is amended by adding a subdivision  
160.23 to read:

160.24 **Subd. 8. Towed vehicles.** The commissioner shall prescribe and issue a temporary  
160.25 permit for a vehicle that enters a park towed by a vehicle used for camping. The temporary  
160.26 permit must be issued with the camping permit and allows the towed vehicle to be driven  
160.27 in state parks until the camping permit expires.

160.28 **EFFECTIVE DATE.** This section is effective January 1, 2007.

160.29 Sec. 9. Minnesota Statutes 2004, section 85.054, is amended by adding a subdivision  
160.30 to read:

161.1 Subd. 12. Soudan Underground Mine State Park. A state park permit is not  
 161.2 required and a fee may not be charged for motor vehicle entry or parking at the visitor  
 161.3 parking area of Soudan Underground Mine State Park.

161.4 EFFECTIVE DATE. This section is effective January 1, 2007.

161.5 Sec. 10. Minnesota Statutes 2005 Supplement, section 85.055, subdivision 1, is  
 161.6 amended to read:

161.7 Subdivision 1. Fees. The fee for state park permits for:

161.8 (1) an annual use of state parks is \$25;

161.9 (2) a second vehicle state park permit is \$18;

161.10 (3) a state park permit valid for one day is ~~\$7~~ \$5;

161.11 (4) a daily vehicle state park permit for groups is ~~\$5~~ \$3;

161.12 (5) an annual permit for motorcycles is \$20;

161.13 (6) an employee's state park permit is without charge; and

161.14 ~~(6)~~ (7) a state park permit for ~~handicapped~~ disabled persons under section 85.053,  
 161.15 subdivision 7, clauses (1) and (2), is \$12.

161.16 The fees specified in this subdivision include any sales tax required by state law.

161.17 EFFECTIVE DATE. This section is effective January 1, 2007.

161.18 Sec. 11. Minnesota Statutes 2004, section 85.32, subdivision 1, is amended to read:

161.19 Subdivision 1. **Areas marked.** The commissioner of natural resources is authorized  
 161.20 in cooperation with local units of government and private individuals and groups when  
 161.21 feasible to mark canoe and boating routes on the Little Fork, Big Fork, Minnesota,  
 161.22 St. Croix, Snake, Mississippi, Red Lake, Cannon, Straight, Des Moines, Crow Wing,  
 161.23 St. Louis, Pine, Rum, Kettle, Cloquet, Root, Zumbro, Pomme de Terre within Swift  
 161.24 County, Watonwan, Cottonwood, Whitewater, Chippewa from Benson in Swift County  
 161.25 to Montevideo in Chippewa County, Long Prairie, Red River of the North, Sauk, and  
 161.26 Crow Rivers which have historic and scenic values and to mark appropriately points of  
 161.27 interest, portages, camp sites, and all dams, rapids, waterfalls, whirlpools, and other  
 161.28 serious hazards which are dangerous to canoe and watercraft travelers.

161.29 Sec. 12. [85.46] HORSE TRAIL PASS.

161.30 Subdivision 1. Pass in possession. While riding, leading, or driving a horse on  
 161.31 horse trails and associated day use areas on state trails, in state parks, in state recreation  
 161.32 areas, and in state forests, a person 16 years of age or over shall carry in immediate

162.1 possession and visibly display on person or horse tack, a valid horse trail pass. The pass  
162.2 must be available for inspection by a peace officer, a conservation officer, or an employee  
162.3 designated under section 84.0835.

162.4 Subd. 2. License agents. (a) The commissioner of natural resources may appoint  
162.5 agents to issue and sell horse trail passes. The commissioner may revoke the appointment  
162.6 of an agent at any time.

162.7 (b) The commissioner may adopt additional rules as provided in section 97A.485,  
162.8 subdivision 11. An agent shall observe all rules adopted by the commissioner for the  
162.9 accounting and handling of passes according to section 97A.485, subdivision 11.

162.10 (c) An agent must promptly deposit and remit all money received from the sale of  
162.11 passes, except issuing fees, to the commissioner.

162.12 Subd. 3. Issuance. The commissioner of natural resources and agents shall issue  
162.13 and sell horse trail passes. The pass shall include the applicant's signature and other  
162.14 information deemed necessary by the commissioner. To be valid, a pass must be signed by  
162.15 the person riding, leading, or driving the horse.

162.16 Subd. 4. Pass fees. (a) The fee for an annual horse trail pass is \$20 for an individual  
162.17 16 years of age and over. The fee shall be collected at the time the pass is purchased.  
162.18 Annual passes are valid for one year beginning January 1 and ending December 31.

162.19 (b) The fee for a daily horse trail pass is \$4 for an individual 16 years of age and  
162.20 over. The fee shall be collected at the time the pass is purchased. The daily pass is valid  
162.21 only for the date designated on the pass form.

162.22 Subd. 5. Issuing fee. In addition to the fee for a horse trail pass, an issuing fee of  
162.23 \$1 per pass shall be charged. The issuing fee shall be retained by the seller of the pass.  
162.24 Issuing fees for passes sold by the commissioner of natural resources shall be deposited in  
162.25 the state treasury and credited to the horse trail account in the natural resources fund and  
162.26 are appropriated to the commissioner for the operation of the electronic licensing system.  
162.27 A pass shall indicate the amount of the fee that is retained by the seller.

162.28 Subd. 6. Disposition of receipts. Fees collected under this section, except for the  
162.29 issuing fee, shall be deposited in the state treasury and credited to the horse trail account  
162.30 in the natural resources fund. Except for the electronic licensing system commission  
162.31 established by the commissioner under section 84.027, subdivision 15, the fees are  
162.32 appropriated to the commissioner of natural resources for trail acquisition, trail and facility  
162.33 development, and maintenance, enforcement, and rehabilitation of horse trails or trails  
162.34 authorized for horse use, whether for riding, leading, or driving, on state trails and in state  
162.35 parks, state recreation areas, and state forests.

163.1 Subd. 7. Duplicate horse trail passes. The commissioner of natural resources and  
 163.2 agents shall issue a duplicate pass to a person whose pass is lost or destroyed using the  
 163.3 process established under section 97A.405, subdivision 3, and rules adopted thereunder.  
 163.4 The fee for a duplicate horse trail pass is \$2, with an issuing fee of 50 cents.

163.5 EFFECTIVE DATE. This section is effective January 1, 2007.

163.6 Sec. 13. Minnesota Statutes 2004, section 97A.028, subdivision 3, is amended to read:

163.7 Subd. 3. **Emergency deterrent materials assistance.** (a) For the purposes of this  
 163.8 subdivision, "cooperative damage management agreement" means an agreement between  
 163.9 a landowner or tenant and the commissioner that establishes a program for addressing the  
 163.10 problem of destruction of the landowner's or tenant's specialty crops or stored forage  
 163.11 crops by wild animals, or destruction of agricultural crops by flightless Canada geese.

163.12 (b) A landowner or tenant may apply to the commissioner for emergency deterrent  
 163.13 materials assistance in controlling destruction of the landowner's or tenant's specialty  
 163.14 crops or stored forage crops by wild animals, or destruction of agricultural crops by  
 163.15 flightless Canada geese. Subject to the availability of money appropriated for this purpose,  
 163.16 the commissioner shall provide suitable deterrent materials when the commissioner  
 163.17 determines that:

163.18 (1) immediate action is necessary to prevent significant damage from continuing  
 163.19 or to prevent the spread of disease in wild animals; and

163.20 (2) a cooperative damage management agreement cannot be implemented  
 163.21 immediately.

3.22 (c) A person may receive emergency deterrent materials assistance under this  
 163.23 subdivision more than once, but the cumulative total value of deterrent materials provided  
 163.24 to a person, or for use on a parcel, may not exceed \$3,000 for specialty crops or measures  
 163.25 to prevent the spread of disease in wild animals in animal disease quarantine areas  
 163.26 established by the Board of Animal Health, or \$750 for protecting stored forage crops,  
 163.27 or \$500 for agricultural crops damaged by flightless Canada geese. If a person is a  
 163.28 co-owner or cotenant with respect to the specialty crops for which the deterrent materials  
 163.29 are provided, the deterrent materials are deemed to be "provided" to the person for the  
 163.30 purposes of this paragraph.

163.31 (d) As a condition of receiving emergency deterrent materials assistance under this  
 163.32 subdivision, a landowner or tenant shall enter into a cooperative damage management  
 163.33 agreement with the commissioner. Deterrent materials provided by the commissioner may  
 163.34 include repellents, fencing materials, or other materials recommended in the agreement  
 163.35 to alleviate the damage problem. If requested by a landowner or tenant, any fencing



164.1 materials provided must be capable of providing long-term protection of specialty crops.  
164.2 A landowner or tenant who receives emergency deterrent materials assistance under  
164.3 this subdivision shall comply with the terms of the cooperative damage management  
164.4 agreement.

164.5 Sec. 14. Minnesota Statutes 2004, section 97A.045, subdivision 11, is amended to read:

164.6 Subd. 11. **Power to prevent or control wildlife disease.** (a) If the commissioner  
164.7 determines that action is necessary to prevent or control a wildlife disease, the  
164.8 commissioner may prevent or control wildlife disease in a species of wild animal in  
164.9 addition to the protection provided by the game and fish laws by further limiting, closing,  
164.10 expanding, or opening seasons or areas of the state; by reducing or increasing limits in  
164.11 areas of the state; by establishing disease management zones; by authorizing free licenses;  
164.12 by allowing shooting from motor vehicles by persons designated by the commissioner;  
164.13 by issuing replacement licenses for sick animals; by requiring sample collection from  
164.14 hunter-harvested animals; by limiting wild animal possession, transportation, and  
164.15 disposition; and by restricting wildlife feeding.

164.16 (b) The commissioner shall restrict wildlife feeding within a 15-mile radius of a  
164.17 cattle herd that is infected with bovine tuberculosis.

164.18 (c) The commissioner may prevent or control wildlife disease in a species of wild  
164.19 animal in the state by emergency rule adopted under section 84.027, subdivision 13.

164.20 Sec. 15. Minnesota Statutes 2004, section 115B.48, subdivision 3, is amended to read:

164.21 Subd. 3. **Dry cleaning facility.** "Dry cleaning facility" means a facility located in  
164.22 this state that is or has been used for a dry cleaning operation, other than:

164.23 (1) a coin-operated dry cleaning operation;

164.24 (2) a facility located on a United States military base;

164.25 (3) a uniform service or linen supply facility;

164.26 (4) a prison or other penal institution;

164.27 (5) a facility on the national priorities list established under the federal Superfund  
164.28 Act; or

164.29 (6) a facility at which a response action has been taken or started ~~under section~~  
164.30 ~~115B.17~~ before July 1, 1995, except as authorized in a settlement agreement approved by  
164.31 the commissioner by July 1, 1997.

164.32 Sec. 16. Laws 2005, First Special Session chapter 1, article 2, section 3, subdivision 2,  
164.33 is amended to read:

165.1 Subd. 2. Land and Mineral Resources  
 165.2 Management

165.3 8,903,000 8,675,000

165.4 Summary by Fund

165.5 General 5,498,000 5,248,000

165.6 Natural Resources 2,222,000 2,222,000

165.7 Game and Fish 983,000 1,005,000

165.8 Permanent School 200,000 200,000

165.9 \$275,000 the first year and \$275,000 the  
 165.10 second year are for iron ore cooperative  
 165.11 research, of which \$137,500 the first year  
 165.12 and \$137,500 the second year are available  
 165.13 only as matched by \$1 of nonstate money for  
 165.14 each \$1 of state money. The match may be  
 165.15 cash or in-kind.

165.16 \$86,000 the first year and \$86,000 the  
 165.17 second year are for minerals cooperative  
 165.18 environmental research, of which \$43,000  
 165.19 the first year and \$43,000 the second year are  
 165.20 available only as matched by \$1 of nonstate  
 165.21 money for each \$1 of state money. The  
 165.22 match may be cash or in-kind.

165.23 \$2,046,000 the first year and \$2,046,000  
 165.24 the second year are from the minerals  
 165.25 management account in the natural resources  
 165.26 fund for only the purposes specified in  
 165.27 new Minnesota Statutes, section 93.2236,  
 165.28 paragraph (c). Of this amount, \$1,526,000  
 165.29 the first year and \$1,526,000 the second  
 165.30 year are for mineral resource management,  
 165.31 \$420,000 the first year and \$420,000 the  
 165.32 second year are for projects to enhance future  
 165.33 income and promote new opportunities,

166.1 including value-added iron products,  
166.2 geological mapping, and mercury research,  
166.3 and \$100,000 the first year and \$100,000 the  
166.4 second year are for environmental review and  
166.5 the processing of permits for mining projects  
166.6 that involve state-owned mineral rights. The  
166.7 appropriation is from the revenue deposited  
166.8 in the minerals management account  
166.9 under Minnesota Statutes, section 93.22,  
166.10 subdivision 1, paragraph (b). \$100,000 each  
166.11 year is a onetime appropriation.

166.12 \$150,000 the first year and \$150,000  
166.13 the second year are from the state forest  
166.14 suspense account in the permanent school  
166.15 fund to accelerate land exchanges, land  
166.16 sales, and commercial leasing of school  
166.17 trust lands. This appropriation is to be used  
166.18 toward meeting the provisions of Minnesota  
166.19 Statutes, section 92.121, to exchange school  
166.20 trust lands or put alternatives in effect when  
166.21 management practices have diminished  
166.22 or prohibited revenue generation, and the  
166.23 direction of Minnesota Statutes, section  
166.24 127A.31, to secure maximum long-term  
166.25 economic return from the school trust lands  
166.26 consistent with fiduciary responsibilities and  
166.27 sound natural resources conservation and  
166.28 management principles.

166.29 \$50,000 the first year and \$50,000 the second  
166.30 year are from the state forest suspense  
166.31 account in the permanent school fund to  
166.32 identify, evaluate, and lease construction  
166.33 aggregate located on school trust lands.

166.34 \$250,000 the first year is for ~~a grant to~~  
166.35 ~~the Board of Regents of the University of~~

167.1 ~~Minnesota to drill a 5,000-foot core sampling~~  
 167.2 ~~bore hole at the Tower-Soudan mine complex~~  
 167.3 ~~in support of a National Science Foundation~~  
 167.4 ~~grant~~ building renovations at the International  
 167.5 Wolf Center. This is a onetime appropriation  
 167.6 and is available until June 30, 2007.  
 167.7

167.8 Sec. 17. Laws 2005, First Special Session chapter 1, article 2, section 11, subdivision  
 167.9 10, is amended to read:

167.10	Subd. 10. <b>Energy</b>	1,896,000	1,896,000
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167.11 Summary by Fund

167.12	Trust Fund	1,896,000	1,896,000
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167.13 (a) Clean Energy Resource Teams and  
 167.14 Community Wind Energy Rebate and  
 167.15 Financial Assistance Program  
 167.16 \$350,000 the first year and \$350,000 the  
 167.17 second year are from the trust fund to the  
 167.18 commissioner of commerce. \$300,000 of  
 167.19 this appropriation is to provide technical  
 167.20 assistance to implement cost-effective  
 167.21 conservation, energy efficiency, and  
 167.22 renewable energy projects. \$400,000 of this  
 167.23 appropriation is to assist ~~two~~ Minnesota  
 167.24 communities in developing locally owned  
 167.25 wind energy projects by offering financial  
 167.26 assistance and rebates. This appropriation  
 167.27 is available until June 30, 2009, at which  
 167.28 time the project must be completed and final  
 167.29 products delivered, unless an earlier date is  
 167.30 specified in the work program.

167.31 (b) [Paragraph (b) was vetoed by the  
 167.32 governor.]

168.1 (c) Manure Methane Digester Compatible

168.2 Wastes and Electrical Generation

168.3 \$50,000 the first year and \$50,000 the

168.4 second year are from the trust fund to the

168.5 commissioner of agriculture to research the

168.6 potential for a centrally located, multifarm

168.7 manure digester and the potential use of

168.8 compatible waste streams with manure

168.9 digesters.

168.10 (d) Dairy Farm Digesters

168.11 \$168,000 the first year and \$168,000 the

168.12 second year are from the trust fund to the

168.13 commissioner of natural resources for an

168.14 agreement with the Minnesota Project for a

168.15 pilot project to evaluate anaerobic digester

168.16 technology on average size dairy farms of

168.17 50 to 300 cows.

168.18 (e) Wind to Hydrogen Demonstration

168.19 \$400,000 the first year and \$400,000 the

168.20 second year are from the trust fund to the

168.21 commissioner of natural resources for an

168.22 agreement with the University of Minnesota,

168.23 West Central Research and Outreach Center,

168.24 to develop a model community-scale

168.25 wind-to-hydrogen facility.

168.26 (f) Natural Gas Production from Agricultural

168.27 Biomass

168.28 \$50,000 the first year and \$50,000 the

168.29 second year are from the trust fund to the

168.30 commissioner of natural resources for an

168.31 agreement with Sebesta Blomberg and

168.32 Associates to demonstrate potential natural

168.33 gas yield using anaerobic digestion of blends

168.34 of chopped grasses or crop residue with hog

169.1 manure and determine optimum operating  
 169.2 conditions for conversion to natural gas.  
 169.3 (g) Biomass-Derived Oils for Generating  
 169.4 Electricity and Reducing Emissions  
 169.5 \$75,000 the first year and \$75,000 the second  
 169.6 year are from the trust fund to the University  
 169.7 of Minnesota to evaluate the environmental  
 169.8 and performance benefits of using renewable  
 169.9 biomass-derived oils, such as soybean oil,  
 169.10 for generating electricity.  
 169.11 (h) [Paragraph (h) was vetoed by the  
 169.12 governor.]  
 169.13 (i) [Paragraph (i) was vetoed by the  
 169.14 governor.]

169.15 Sec. 18. **CARRYFORWARD.**

169.16 The appropriation under Laws 2003, chapter 128, article 1, section 9, subdivision  
 169.17 6, paragraph (c), for local initiative grants - parks and natural areas, is available until  
 169.18 June 30, 2007.

169.19 Sec. 19. **REPEALER.**

169.20 Minnesota Statutes 2004, section 17.10, is repealed.

169.21 Sec. 20. **EFFECTIVE DATE.**

169.22 Unless otherwise specified, this article is effective the day following final enactment.

169.23 **ARTICLE 13**

169.24 **CLEAN WATER LEGACY**

169.25 Section 1. **CLEAN WATER LEGACY APPROPRIATIONS.**

169.26 The sums shown in the columns marked "APPROPRIATIONS" are appropriated  
 169.27 from the general fund to the agencies and for the purposes specified in this article. Unless  
 169.28 otherwise specified, the appropriations in this article are available for the fiscal year  
 169.29 ending June 30, 2007. Appropriations in this article that are encumbered under contract,  
 169.30 including grant contracts, on or before June 30, 2007, are available until June 30, 2009.  
 169.31 All the appropriations in this article are onetime appropriations.

170.1 Notwithstanding any other law enacted during the 2006 regular legislative session,  
 170.2 the maximum total general fund appropriation authorized for the purposes of this article  
 170.3 under all laws enacted during the 2006 regular legislative session is \$20,000,000. Any  
 170.4 amounts appropriated from the general fund in any other law enacted during the 2006  
 170.5 regular legislative session that would cause the general fund appropriations to exceed  
 170.6 \$20,000,000 are canceled.

170.7 The appropriations in this article must be used to protect, restore, and preserve  
 170.8 the quality of Minnesota's surface waters. Allowable activities include surface water  
 170.9 assessments, program activities that target identified impairments, and development of  
 170.10 total maximum daily load studies (TMDL's) as required by section 303(d) of the federal  
 170.11 Clean Water Act, United States Code, title 33, section 1313(d), and applicable federal  
 170.12 regulations.

170.13 SUMMARY BY FUND

170.14		<u>2007</u>	<u>TOTAL</u>
170.15	<u>General</u>	\$ <u>20,000,000</u>	\$ <u>20,000,000</u>

170.16		<u>APPROPRIATIONS</u>
170.17		<u>Available for the Year</u>
170.18		<u>Ending June 30</u>
170.19		<u>2007</u>

170.20	<u>Sec. 2. POLLUTION CONTROL AGENCY</u>	\$	<u>5,030,000</u>
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170.21 This appropriation may be spent for the  
 170.22 following purposes:

170.23	<u>(a) Statewide assessment of surface water</u>	
170.24	<u>quality and trends</u>	<u>1,860,000</u>

170.25 Up to \$1,010,000 is available for grants or  
 170.26 contracts to support citizen monitoring of  
 170.27 surface waters.

170.28	<u>(b) Develop TMDL's and TMDL</u>	
170.29	<u>implementation plans for waters listed</u>	
170.30	<u>on the United States Environmental Protection</u>	
170.31	<u>Agency approved 2004 impaired waters list</u>	<u>3,170,000</u>

- 171.1 Up to \$1,740,000 is available for grants or  
 171.2 contracts to develop TMDL's.
- 171.3 **Sec. 3. PUBLIC FACILITIES AUTHORITY** **4,310,000**
- 171.4 This appropriation may be spent for the  
 171.5 following purposes and is available until  
 171.6 spent:
- 171.7 (a) Phosphorus reduction grants **2,000,000**
- 171.8 This appropriation is for phosphorus  
 171.9 reduction grants up to a maximum of  
 171.10 \$500,000 per project.
- 171.11 (b) Small community wastewater treatment  
 171.12 loans and grants **1,000,000**
- 171.13 (c) Wastewater, storm water, and TMDL grants **1,310,000**
- 171.14 To the water pollution control revolving fund  
 171.15 under Minnesota Statutes, section 446A.07,  
 171.16 for wastewater treatment and storm water  
 171.17 projects and for total maximum daily load  
 171.18 grants under Minnesota Statutes, section  
 171.19 446A.073.
- 171.20 **Sec. 4. AGRICULTURE DEPARTMENT** **2,600,000**
- 171.21 This appropriation may be spent for the  
 171.22 following purposes:
- 171.23 (a) Agricultural best management practices loan  
 171.24 program **1,400,000**
- 171.25 For loans to producers and rural landowners.  
 171.26 This appropriation is available until spent.  
 171.27 \$1,200,000 is available for pass-through  
 171.28 to local governments and lenders for  
 171.29 low-interest loans.



- 172.1 (b) Technical assistance 800,000
- 172.2 To expand technical assistance to producers
- 172.3 and conservation professionals on nutrient
- 172.4 and pasture management, target practices to
- 172.5 sources of water impairments, coordinate
- 172.6 federal and state farm conservation programs
- 172.7 to fully utilize federal conservation funds,
- 172.8 and expand conservation planning assistance
- 172.9 for producers.
- 172.10 \$210,000 is available for grants or contracts
- 172.11 to develop nutrient and conservation
- 172.12 planning assistance information materials.
- 172.13 (c) Research, evaluation, and effectiveness
- 172.14 monitoring of agricultural practices in restoring
- 172.15 impaired waters 400,000
- 172.16 **Sec. 5. BOARD OF WATER AND SOIL**
- 172.17 **RESOURCES** 5,930,000
- 172.18 All of the money appropriated in this section
- 172.19 as grants to local governments shall be
- 172.20 administered through the Board of Water
- 172.21 and Soil Resources' local water resources
- 172.22 protection and management program under
- 172.23 Minnesota Statutes, section 103B.3369.
- 172.24 This appropriation may be spent for the
- 172.25 following purposes:
- 172.26 (a) Targeted nonpoint restoration cost-share and
- 172.27 incentive payments 1,500,000
- 172.28 Up to \$1,400,000 is available for grants.
- 172.29 (b) Targeted nonpoint restoration technical,
- 172.30 compliance, and engineering assistance
- 172.31 activities 2,000,000

- 173.1 Up to \$1,900,000 is available for grants.
- 173.2 (c) Reporting and evaluation of applied soil and
- 173.3 water conservation practices 200,000
- 173.4 (d) Grants to implement county individual
- 173.5 sewage treatment system programs 730,000
- 173.6 (e) Grants to support local nonpoint source
- 173.7 protection activities related to lake and river
- 173.8 protection and management 1,500,000
- 173.9 **Sec. 6. DEPARTMENT OF NATURAL**
- 173.10 **RESOURCES** 2,130,000
- 173.11 This appropriation may be spent for the
- 173.12 following purposes:
- 173.13 (a) Statewide assessment of surface water
- 173.14 quality and trends 280,000
- 173.15 (b) Acquire high priority, sensitive riparian
- 173.16 lands 1,000,000
- 173.17 (c) Forest stewardship planning and
- 173.18 implementation; research, evaluation, and
- 173.19 monitoring; and technical assistance to local
- 173.20 units of government 850,000
- 173.21 **Sec. 7. Minnesota Statutes 2004, section 115.03, is amended by adding a subdivision to**
- 173.22 **read:**
- 173.23 **Subd. 10. Nutrient loading offset. Prior to the completion of a total maximum**
- 173.24 **daily load for an impaired water, the Pollution Control Agency may issue a permit for**
- 173.25 **a new discharger or an expanding discharger if it does not result in increased loading to**
- 173.26 **an impaired water. Where a new discharger or an expanding existing discharger cannot**
- 173.27 **effectively implement zero discharge options, the agency may issue a permit if the**
- 173.28 **increased loading is offset by reductions from other sources of loading to the impaired**
- 173.29 **water. The term "new discharger" is as defined in Code of Federal Regulations, title**
- 173.30 **40, section 122.2.**

174.1  
174.2

**ARTICLE 14**  
**ECONOMIC DEVELOPMENT**

174.3

**Section 1. ECONOMIC DEVELOPMENT APPROPRIATIONS.**

174.4  
174.5  
174.6  
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174.13

The sums shown in the columns marked "APPROPRIATIONS" are added to the appropriations in Laws 2005, First Special Session chapter 1, article 3, or other law to the agencies and for the purposes specified in this article. The appropriations are from the general fund or another named fund and are available for the fiscal years indicated for each purpose. The figures "2006" and "2007" used in this article mean that the addition to the appropriation listed under them is available for the fiscal year ending June 30, 2006, or June 30, 2007, respectively. "The first year" is fiscal year 2006. "The second year" is fiscal year 2007. "The biennium" is fiscal years 2006 and 2007. Supplementary appropriations and reductions to appropriations for the fiscal year ending June 30, 2006, are effective the day following final enactment.

174.14

**SUMMARY BY FUND**

174.15  
174.16  
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174.20  
174.21  
174.22

	<u>2006</u>		<u>2007</u>		<u>TOTAL</u>
<u>General</u>	\$ 1,750,000	\$	2,850,000	\$	4,600,000
<u>Special Revenue</u>			300,000		300,000
<u>Workforce Development</u>	1,920,000		2,170,000		4,090,000
<u>Petroleum Tank Cleanup</u>	450,000		450,000		900,000
<u>Telecommunications</u>					
<u>Access</u>			240,000		240,000
<u>TOTAL</u>	\$ 4,120,000	\$	6,010,000	\$	10,130,000

174.23  
174.24  
174.25  
174.26

**APPROPRIATIONS**

Available for the Year  
Ending June 30  
2006                      2007

174.27  
174.28

**Sec. 2. DEPARTMENT OF EMPLOYMENT**  
**AND ECONOMIC DEVELOPMENT**

174.29

**Subdivision 1. Total appropriation**                      \$    1,920,000    \$    4,970,000

174.30  
174.31

This appropriation includes money for the purposes in subdivisions 2 to 8.

175.1 Subd. 2. Business and community  
 5.2 development

500,000

175.3 For a grant to BioBusiness Alliance  
 175.4 of Minnesota for bioscience business  
 175.5 development programs that will work to grow  
 175.6 and create bioscience jobs in this state and  
 175.7 position Minnesota as a global biobusiness  
 175.8 leader. An annual report on the expenditure  
 175.9 of the appropriation must be submitted to  
 175.10 the senate Environment, Agriculture, and  
 175.11 Economic Development Budget Division,  
 175.12 and the house of representatives Jobs and  
 175.13 Economic Opportunity Policy and Finance  
 175.14 Committee by June 30 of each fiscal year  
 175.15 until the appropriation is expended. The  
 175.16 report must include the impact, if available,  
 175.17 of the subsidy on reducing consumer costs of  
 175.18 bioengineered products, and the jobs created,  
 175.19 including wages and benefits. This is a  
 175.20 onetime appropriation.

175.21 Subd. 3. Biotech partnership

2,000,000

175.22 For direct and indirect expenses of the  
 175.23 collaborative research partnership between  
 175.24 the University of Minnesota and the Mayo  
 175.25 Foundation for research in biotechnology  
 175.26 and medical genomics. This is a onetime  
 175.27 appropriation. An annual report on the  
 175.28 expenditure of this appropriation must be  
 175.29 submitted to the governor and the chairs  
 175.30 of the senate Higher Education Budget  
 175.31 Division, the house of representatives  
 175.32 Higher Education Finance Committee,  
 175.33 the senate Environment, Agriculture, and  
 175.34 Economic Development Budget Division,

176.1 and the house of representatives Jobs and  
 176.2 Economic Opportunity Policy and Finance  
 176.3 Committee by June 30 of each fiscal year  
 176.4 until the appropriation is expended. The  
 176.5 report must include the impact, if available,  
 176.6 of the subsidy on reducing consumer costs  
 176.7 of bioengineered products and the jobs  
 176.8 created, including wages and benefits. This  
 176.9 appropriation is available until expended.

176.10 Subd. 4. Programs for persons with  
 176.11 developmental and mental disabilities

150,000

176.12 For a grant to Advocating Change Together.  
 176.13 The grant must be used to provide training,  
 176.14 technical assistance, and resource materials  
 176.15 to persons with developmental and mental  
 176.16 health disabilities. This appropriation  
 176.17 becomes part of the base appropriation  
 176.18 for the Department of Employment and  
 176.19 Economic Development.

176.20 Subd. 5. Wastewater treatment

100,000

176.21 For a grant to the city of Cedar Mills for costs  
 176.22 it incurred in construction of a wastewater  
 176.23 treatment system for 28 properties. The  
 176.24 city must use the money to reduce its  
 176.25 indebtedness for additional costs of the  
 176.26 system that was not part of the originally  
 176.27 planned project and resulted in excessive  
 176.28 costs to homeowners. This is a onetime  
 176.29 appropriation.

176.30 Subd. 6. Pilot workforce program

250,000

176.31 This appropriation is from the workforce  
 176.32 development fund for grants to the West  
 176.33 Central Initiative in Fergus Falls. These

177.1 grants must be used to implement and operate  
 177.2 Northern Connections, a pilot workforce  
 177.3 program that provides one-stop supportive  
 177.4 services to assist individuals as they transition  
 177.5 into the workforce. This appropriation is  
 177.6 available to the extent matched by \$1 of  
 177.7 nonstate money for each \$1 of state money.  
 177.8 This is a onetime appropriation.

177.9 Subd. 7. Summer youth employment 1,920,000 1,920,000

177.10 This appropriation is from the workforce  
 177.11 development fund for grants to fund summer  
 177.12 youth employment in Minneapolis. The  
 177.13 grants shall be used to fund up to 500 jobs for  
 177.14 youth each summer. Of this appropriation,  
 177.15 \$250,000 the first year and \$250,000 the  
 177.16 second year are for a grant to the learn-to-earn  
 177.17 summer youth employment program. The  
 177.18 commissioner shall establish criteria for  
 177.19 awarding the grants. This appropriation is  
 177.20 available in either year of the biennium and  
 177.21 is available until spent.

177.22 Subd. 8. Veterans' memorial 50,000

177.23 For a grant to the city of Worthington for  
 177.24 the construction of a veterans' memorial in  
 177.25 Freedom Veterans' Memorial Park. This  
 177.26 appropriation is contingent upon the receipt  
 177.27 of local matching money on a \$1 to \$1 basis.  
 177.28 This is a onetime appropriation.

177.29 Sec. 3. DEPARTMENT OF COMMERCE 450,000 450,000

30 Notwithstanding Minnesota Statutes, section  
 177.31 115C.09, subdivision 2a, this appropriation  
 177.32 is from the petroleum tank release cleanup  
 177.33 fund for costs reimbursable under Minnesota

178.1 Statutes, section 115C.09, that were incurred  
 178.2 before January 1, 2004.

178.3 Sec. 4. **HOUSING FINANCE AGENCY** **300,000**

178.4 This appropriation is from the real estate  
 178.5 education, research, and recovery fund  
 178.6 under Minnesota Statutes, section 82.43, for  
 178.7 mortgage foreclosure prevention under the  
 178.8 homeownership education, counseling, and  
 178.9 training program under Minnesota Statutes,  
 178.10 section 462A.209.

178.11 Sec. 5. **DEPARTMENT OF HUMAN**  
 178.12 **SERVICES** **240,000**

178.13 This appropriation is from the  
 178.14 telecommunications access Minnesota fund  
 178.15 under Minnesota Statutes, section 237.52,  
 178.16 to supplement the ongoing operational  
 178.17 expenses of the Commission Serving  
 178.18 Deaf and Hard-of-Hearing People. This  
 178.19 appropriation shall become part of base level  
 178.20 funding for the commission for the biennium  
 178.21 beginning July 1, 2007.

178.22 Sec. 6. **BOXING COMMISSION** **50,000**

178.23 To operate and administer the commission.  
 178.24 This appropriation is the annual base for  
 178.25 future years. This appropriation is contingent  
 178.26 upon enactment of new Minnesota Statutes,  
 178.27 sections 341.21 to 341.37.

178.28 Sec. 7. **EXPLORE MINNESOTA TOURISM** **1,750,000**

178.29 For a grant to the Minnesota Film and  
 178.30 TV Board for reimbursements of up to 15

179.1 percent of film production costs incurred in  
 179.2 Minnesota, under Minnesota Statutes, section  
 179.3 116J.543. This appropriation is available for  
 179.4 films that begin filming on or after May 1,  
 179.5 2006, and is available until June 30, 2007.

179.6 Sec. 8. Laws 2005, First Special Session chapter 1, article 3, section 2, subdivision 4,  
 179.7 is amended to read:

179.8  
 179.9 Subd. 4. **Workforce Services** 27,960,000 28,160,000

179.10 Summary by Fund

179.11 General 20,165,000 20,165,000  
 179.12 Workforce Development 7,795,000 7,995,000

179.13 \$4,864,000 the first year and \$4,864,000 the  
 179.14 second year are from the general fund and  
 179.15 \$7,420,000 the first year and \$7,420,000  
 179.16 the second year are from the workforce  
 179.17 development fund for extended employment  
 179.18 services for persons with severe disabilities  
 179.19 or related conditions under Minnesota  
 179.20 Statutes, section 268A.15. Of the amount  
 179.21 from the workforce development fund,  
 179.22 \$500,000 each year is onetime.

179.23 \$1,690,000 the first year and \$1,690,000  
 179.24 the second year are from the general  
 179.25 fund for grants under Minnesota Statutes,  
 179.26 section 268A.11, for the eight centers for  
 179.27 independent living. Money not expended the  
 179.28 first year is available the second year.

179.29 \$150,000 the first year and \$150,000 the  
 179.30 second year are from the general fund  
 179.31 and \$175,000 the first year and \$175,000  
 179.32 the second year are from the workforce  
 179.33 development fund for grants under Minnesota



180.1 Statutes, section 268A.03, to Rise, Inc.  
180.2 for the Minnesota Employment Center for  
180.3 People Who are Deaf or Hard-of-Hearing.  
180.4 Money not expended the first year is available  
180.5 the second year. Of the amount from the  
180.6 workforce development fund, \$150,000 each  
180.7 year is ~~onetime~~ added to the budget base.  
180.8 \$1,000,000 the first year and \$1,000,000  
180.9 the second year are from the general fund  
180.10 and \$200,000 the first year and \$400,000  
180.11 the second year are from the workforce  
180.12 development fund for grants for programs  
180.13 that provide employment support services to  
180.14 persons with mental illness under Minnesota  
180.15 Statutes, sections 268A.13 and 268A.14.  
180.16 Up to \$77,000 each year may be used  
180.17 for administrative and salary expenses.  
180.18 The appropriation from the workforce  
180.19 development fund is onetime.  
180.20 \$4,940,000 the first year and \$4,940,000 the  
180.21 second year are from the general fund for  
180.22 state services for the blind activities.  
180.23 \$7,521,000 the first year and \$7,521,000 the  
180.24 second year are from the general fund for the  
180.25 state's vocational rehabilitation program for  
180.26 people with significant disabilities to assist  
180.27 with employment, under Minnesota Statutes,  
180.28 chapter 268A.  
180.29 On or after July 1, 2005, the commissioner  
180.30 of finance shall cancel the unencumbered  
180.31 balance in the contaminated site cleanup and  
180.32 development account to the unrestricted fund  
180.33 balance in the general fund.

181.1 Sec. 9. Minnesota Statutes 2004, section 16B.325, is amended to read:

181.2 **16B.325 SUSTAINABLE BUILDING GUIDELINES.**

181.3 Subdivision 1. Energy, lighting, air quality, and other guidelines. The Department  
181.4 of Administration and the Department of Commerce, with the assistance of other agencies,  
181.5 shall develop sustainable building design guidelines for all new state buildings by January  
181.6 15, 2003. The primary objectives of these guidelines are to ensure that all new state  
181.7 buildings initially exceed existing energy code, as established in Minnesota Rules, chapter  
181.8 7676, by at least 30 percent. The guidelines must focus on achieving the lowest possible  
181.9 lifetime cost for new buildings and allow for changes in the guidelines that encourage  
181.10 continual energy conservation improvements in new buildings. The design guidelines  
181.11 must establish sustainability guidelines that include air quality and lighting standards and  
181.12 that create and maintain a healthy environment and facilitate productivity improvements;  
181.13 specify ways to reduce material costs; and must consider the long-term operating costs of  
181.14 the building, including the use of renewable energy sources and distributed electric energy  
181.15 generation that uses a renewable source or natural gas or a fuel that is as clean or cleaner  
181.16 than natural gas. In developing the guidelines, the departments shall use an open process,  
181.17 including providing the opportunity for public comment. The guidelines established under  
181.18 this ~~section~~ subdivision are mandatory for all new buildings receiving funding from the  
181.19 bond proceeds fund after January 1, 2004.

181.20 Subd. 2. Greenhouse gases. The Department of Administration and the Department  
181.21 of Commerce, with the assistance of other agencies, shall report to the legislature by  
181.22 March 15, 2007, on guidelines and procedures for a requirement that no net increases  
181.23 in greenhouse gases are allowed as a result of new building projects. The guidelines  
181.24 established under this subdivision are mandatory for all new buildings receiving funding  
181.25 from the bond proceeds fund after January 1, 2008.

181.26 Sec. 10. Minnesota Statutes 2004, section 43A.08, subdivision 1a, is amended to read:

181.27 Subd. 1a. **Additional unclassified positions.** Appointing authorities for the  
181.28 following agencies may designate additional unclassified positions according to this  
181.29 subdivision: the Departments of Administration; Agriculture; Commerce; Corrections;  
181.30 Education; Employee Relations; Employment and Economic Development; Explore  
181.31 Minnesota Tourism; Finance; Health; Human Rights; Labor and Industry; Natural  
181.32 Resources; Public Safety; Human Services; Revenue; Transportation; and Veterans  
181.33 Affairs; the Housing Finance and Pollution Control Agencies; the State Lottery; the state  
181.34 Board of Investment; the Office of Administrative Hearings; the Office of Environmental  
181.35 Assistance; the Offices of the Attorney General, Secretary of State, and State Auditor;

182.1 the Minnesota State Colleges and Universities; the Higher Education Services Office; the  
182.2 Perpich Center for Arts Education; and the Minnesota Zoological Board.

182.3 A position designated by an appointing authority according to this subdivision must  
182.4 meet the following standards and criteria:

182.5 (1) the designation of the position would not be contrary to other law relating  
182.6 specifically to that agency;

182.7 (2) the person occupying the position would report directly to the agency head or  
182.8 deputy agency head and would be designated as part of the agency head's management  
182.9 team;

182.10 (3) the duties of the position would involve significant discretion and substantial  
182.11 involvement in the development, interpretation, and implementation of agency policy;

182.12 (4) the duties of the position would not require primarily personnel, accounting, or  
182.13 other technical expertise where continuity in the position would be important;

182.14 (5) there would be a need for the person occupying the position to be accountable to,  
182.15 loyal to, and compatible with, the governor and the agency head, the employing statutory  
182.16 board or commission, or the employing constitutional officer;

182.17 (6) the position would be at the level of division or bureau director or assistant  
182.18 to the agency head; and

182.19 (7) the commissioner has approved the designation as being consistent with the  
182.20 standards and criteria in this subdivision.

182.21 Sec. 11. Minnesota Statutes 2004, section 80C.01, subdivision 4, is amended to read:

182.22 Subd. 4. **Franchise.** (a) "Franchise" means (1) a contract or agreement, either  
182.23 express or implied, whether oral or written, for a definite or indefinite period, between  
182.24 two or more persons:

182.25 (i) by which a franchisee is granted the right to engage in the business of offering or  
182.26 distributing goods or services using the franchisor's trade name, trademark, service mark,  
182.27 logotype, advertising, or other commercial symbol or related characteristics;

182.28 (ii) in which the franchisor and franchisee have a community of interest in the  
182.29 marketing of goods or services at wholesale, retail, by lease, agreement, or otherwise; and

182.30 (iii) for which the franchisee pays, directly or indirectly, a franchise fee; or

182.31 (2) a contract, lease, or other agreement, either express or implied, whether oral or  
182.32 written, for a definite or indefinite period, between two or more persons, whereby the  
182.33 franchisee is authorized, permitted, or granted the right to market motor vehicle fuel at  
182.34 retail under the franchisor's trade name, trademark, service mark, logotype, or other  
182.35 commercial symbol or related characteristics owned or controlled by the franchisor; or

183.1 (3) the sale or lease of any products, equipment, chattels, supplies, or services to the  
183.2 purchaser, other than the sale of sales demonstration equipment, materials or samples for a  
183.3 total price of \$500 or less to any one person, for the purpose of enabling the purchaser  
183.4 to start a business and in which the seller:

183.5 (i) represents that the seller, lessor, or an affiliate thereof will provide locations or  
183.6 assist the purchaser in finding locations for the use or operation of vending machines,  
183.7 racks, display cases, or similar devices, or currency operated amusement machines or  
183.8 devices, on premises neither owned or leased by the purchaser or seller; or

183.9 (ii) represents that the seller will purchase any or all products made, produced,  
183.10 fabricated, grown, bred, or modified by the purchaser using, in whole or in part, the  
183.11 supplies, services, or chattels sold to the purchaser; or

183.12 (iii) guarantees that the purchaser will derive income from the business which  
183.13 exceeds the price paid to the seller; or

183.14 (4) an oral or written contract or agreement, either expressed or implied, for a  
183.15 definite or indefinite period, between two or more persons, under which a manufacturer,  
183.16 selling security systems through dealers or distributors in this state, requires regular  
183.17 payments from the distributor or dealer as royalties or residuals for products purchased  
183.18 and paid for by the dealer or distributor.

183.19 (b) "Franchise" does not include any business which is operated under a lease or  
183.20 license on the premises of the lessor or licensor as long as such business is incidental to  
183.21 the business conducted by the lessor or licensor on such premises, including, without  
183.22 limitation, leased departments, licensed departments, and concessions.

183.23 (c) "Franchise" does not include any contract, lease or other agreement whereby the  
183.24 franchisee is required to pay less than \$100 on an annual basis, except those franchises  
183.25 identified in paragraph (a), clause (2).

183.26 (d) "Franchise" does not include a contract, lease or other agreement between a new  
183.27 motor vehicle manufacturer, distributor, or factory branch and a franchisee whereby the  
183.28 franchisee is granted the right to market automobiles, motorcycles, trucks, truck-tractors,  
183.29 or self-propelled motor homes or campers if the foregoing are designed primarily for the  
183.30 transportation of persons or property on public highways.

183.31 (e) "Franchise" does not include a contract, lease, or other agreement or arrangement  
183.32 between two or more air carriers, or between one or more air carriers and one or more  
183.33 foreign air carriers. The terms "air carrier" and "foreign air carrier" shall have the  
183.34 meanings assigned to them by the Federal Aviation Act, United States Code Appendix,  
183.35 title 49, sections 1301(3) and 1301(22), respectively.

184.1 (f) For purposes of paragraph (a), clause (2), "franchise" does not include the  
 184.2 marketing of motor vehicle fuel in circumstances where all the following are present:

184.3 (1) the franchisor or an affiliate of the franchisor is not a refiner of motor vehicle  
 184.4 fuel, diesel fuel, or gasoline;

184.5 (2) the franchisor's trade name, trademark, service mark, logotype, or other  
 184.6 commercial symbol or related characteristics is not used to identify the marketing premises  
 184.7 generally, but only the gasoline dispensers, canopy, and gasoline price signage, provided,  
 184.8 however, this circumstance is not changed by a voluntary decision by the retailer to  
 184.9 identify the buildings on the premises in the manner selected by the retailer;

184.10 (3) the franchisor does not impose any requirements or franchise fee on nonmotor  
 184.11 vehicle fuel products or sales, provided this circumstance is not changed by a voluntary  
 184.12 decision by the retailer to purchase nonmotor vehicle fuel products from the franchisor or  
 184.13 an affiliate of the franchisor; and

184.14 (4) the facility is not leased from the franchisor or affiliate of the franchisor.

184.15 ~~(f)~~ (g) For purposes of this chapter, a person who sells motor vehicle fuel at  
 184.16 wholesale who does not own or control, or is not an affiliate of a person who owns or  
 184.17 controls, the trademark, trade name, service mark, logotype, or other commercial symbol  
 184.18 or related characteristics under which the motor vehicle fuel is sold at retail, is not a  
 184.19 franchisor or a franchisee, and is not considered to be part of a franchise relationship.

184.20 **Sec. 12. [80C.144] EXEMPT MOTOR FUEL FRANCHISES; ALTERNATIVE**  
 184.21 **COMPLIANCE.**

184.22 A motor fuel franchise exempt from regulation under this chapter pursuant to section  
 184.23 80C.01, subdivision 4, paragraph (f), is subject to regulation under chapter 80F.

184.24 **Sec. 13. Minnesota Statutes 2005 Supplement, section 115C.09, subdivision 3j,**  
 184.25 **is amended to read:**

184.26 **Subd. 3j. Retail locations and transport vehicles.** (a) As used in this subdivision,  
 184.27 "retail location" means a facility located in the metropolitan area as defined in section  
 184.28 473.121, subdivision 2, where gasoline is offered for sale to the general public for use in  
 184.29 automobiles and trucks. "Transport vehicle" means a liquid fuel cargo tank used to deliver  
 184.30 gasoline into underground storage tanks during 2002 ~~and~~ or 2003 at a retail location.

184.31 (b) Notwithstanding any other provision in this chapter, and any rules adopted under  
 184.32 this chapter, the board shall reimburse 90 percent of an applicant's cost for retrofits of  
 184.33 retail locations and transport vehicles completed between January 1, 2001, and ~~January~~  
 184.34 September 1, 2006, to comply with section 116.49, subdivisions 3 and 4, provided that the

185.1 board determines the costs were incurred and reasonable. The reimbursement may not  
 185.2 exceed \$3,000 per retail location and \$3,000 per transport vehicle.

185.3 **EFFECTIVE DATE.** This section is effective retroactively from August 1, 2003.

185.4 Sec. 14. Minnesota Statutes 2004, section 116J.421, subdivision 3, is amended to read:

185.5 Subd. 3. **Duties.** The center shall:

185.6 (1) research and identify present and emerging social and economic issues for rural  
 185.7 Minnesota, including health care, transportation, crime, housing, and job training;

185.8 (2) forge alliances and partnerships with rural communities to find practical solutions  
 185.9 to economic and social problems;

185.10 (3) provide a resource center for rural communities on issues of importance to them;

185.11 (4) encourage collaboration across higher education institutions to provide  
 185.12 interdisciplinary team approaches to problem solving with rural communities; ~~and~~

185.13 (5) involve students in center projects; and

185.14 (6) submit to the legislature a report on the "State of Rural Minnesota" no later  
 185.15 than March 1 in each odd-numbered year.

185.16 Sec. 15. Minnesota Statutes 2004, section 116J.543, is amended to read:

185.17 **116J.543 FILM PRODUCTION JOBS PROGRAM.**

185.18 (a) The film production jobs program is created. The program shall be operated

185.19 by the Minnesota Film and TV Board with administrative oversight and control by the

185.20 commissioner of employment and economic development. The program shall make

185.21 payment to producers of ~~long-form and narrative film productions~~ feature films, national

185.22 television programs, documentaries, music videos, and commercials that directly create

185.23 new film jobs in Minnesota. To be eligible for a payment, a producer must submit

185.24 documentation to the Minnesota Film and TV Board of expenditures for ~~wages for work~~

185.25 ~~on new film production jobs in Minnesota by resident Minnesotans. The film jobs include~~

185.26 ~~work such as technical crews, acting talent, set construction, soundstage or equipment~~

185.27 ~~rental, local postproduction film processing, and other film production jobs~~ production

185.28 costs incurred in Minnesota that are directly attributable to the production in Minnesota of

185.29 a film product.

185.30 The Minnesota Film and TV Board ~~must~~ shall make recommendations to the

31 commissioner about program payment, but ~~the recommendations are not binding and~~

185.32 the commissioner has the authority to make the final determination on payments. The

185.33 commissioner's determination must be based on ~~the amount of wages documented to the~~

186.1 ~~Film Board and the likelihood that the payment will lead to further documentable wage~~  
 186.2 ~~payments. Payment may not exceed \$100,000 for a single long-form and narrative film~~  
 186.3 proper documentation of eligible production costs submitted for payments. No more than  
 186.4 five percent of the funds appropriated for the program in any year may be expended for  
 186.5 administration. ~~Individual feature film projects shooting on or after January 1, 1997, will~~  
 186.6 ~~be eligible for fund allocations.~~

186.7 (b) For the purposes of this section:

186.8 (1) "production costs" means the cost of the following:

186.9 (i) a story and scenario to be used for a film;

186.10 (ii) salaries of talent, management, and labor, including payments to personal  
 186.11 services corporations for the services of a performing artist;

186.12 (iii) set construction and operations, wardrobe, accessories, and related services;

186.13 (iv) photography, sound synchronization, lighting, and related services;

186.14 (v) editing and related services;

186.15 (vi) rental of facilities and equipment; or

186.16 (vii) other direct costs of producing the film in accordance with generally accepted  
 186.17 entertainment industry practice; and

186.18 (2) "film" means a movie, television show, documentary, music video, or television  
 186.19 commercial, whether on film or video. Film does not include news, current events, public  
 186.20 programming, or a program that includes weather or market reports; a talk show; a  
 186.21 production with respect to a questionnaire or contest; a sports event or sports activity; a  
 186.22 gala presentation or awards show; a finished production that solicits funds; or a production  
 186.23 for which the production company is required under United States Code, title 18, section  
 186.24 2257, to maintain records with respect to a performer portrayed in a single-media or  
 186.25 multimedia program.

186.26 Sec. 16. Minnesota Statutes 2005 Supplement, section 116J.551, subdivision 1, is  
 186.27 amended to read:

186.28 Subdivision 1. **Grant account.** A contaminated site cleanup and development grant  
 186.29 account is created in the general fund. Money in the account may be used, as appropriated  
 186.30 by law, to make grants as provided in section 116J.554 and to pay for the commissioner's  
 186.31 costs in reviewing applications and making grants. Notwithstanding section 16A.28,  
 186.32 ~~money appropriated to the account is available for four years~~ grant money appropriated  
 186.33 for this program, from any source, is available until spent.

187.1       Sec. 17. [116J.656] SMALL BUSINESS ACCESS TO FEDERAL RESEARCH  
 187.2       FUNDS.

187.3           (a) The commissioner shall assist small businesses to access federal money through  
 187.4       the federal Small Business Innovation Research program and the Small Business  
 187.5       Technology Transfer program. In providing this assistance, the commissioner shall  
 187.6       maintain connections to eligible federal programs, assess specific funding opportunities,  
 187.7       review funding proposals, provide referrals to specific consulting services, and hold  
 187.8       training workshops throughout the state.

187.9           (b) Unless prohibited by federal law, the commissioner must implement fees for  
 187.10       services that help companies seek federal Phase II Small Business Innovation Research  
 187.11       grants. The fees must be deposited in a special revenue account and are annually  
 187.12       appropriated to the commissioner for the Small Business Innovation Research and Small  
 187.13       Business Technology Transfer programs.

187.14       Sec. 18. Minnesota Statutes 2004, section 116L.04, subdivision 1, is amended to read:

187.15           Subdivision 1. **Partnership program.** (a) The partnership program may provide  
 187.16       grants-in-aid to educational or other nonprofit educational institutions using the following  
 187.17       guidelines:

187.18           (1) the educational or other nonprofit educational institution is a provider of training  
 187.19       within the state in either the public or private sector;

187.20           (2) the program involves skills training that is an area of employment need; and

187.21           (3) preference will be given to educational or other nonprofit training institutions  
 187.22       which serve economically disadvantaged people, minorities, or those who are victims of  
 187.23       economic dislocation and to businesses located in rural areas.

187.24           (b) A single grant to any one institution shall not exceed \$400,000. ~~Up to 25 percent~~  
 187.25       A portion of a grant may be used for preemployment training.

187.26           **EFFECTIVE DATE.** This section is effective the day following final enactment.

187.27       Sec. 19. Minnesota Statutes 2004, section 116L.04, subdivision 1a, is amended to read:

187.28           Subd. 1a. **Pathways program.** The pathways program may provide grants-in-aid  
 187.29       for developing programs which assist in the transition of persons from welfare to work and  
 187.30       assist individuals at or below 200 percent of the federal poverty guidelines. The program  
 187.31       is to be operated by the board. The board shall consult and coordinate with program  
 187.32       administrators at the Department of Employment and Economic Development to design  
 187.33       and provide services for temporary assistance for needy families recipients.



188.1 Pathways grants-in-aid may be awarded to educational or other nonprofit training  
 188.2 institutions for education and training programs and services supporting education and  
 188.3 training programs that serve eligible recipients.

188.4 Preference shall be given to projects that:

188.5 (1) provide employment with benefits paid to employees;

188.6 (2) provide employment where there are defined career paths for trainees;

188.7 (3) pilot the development of an educational pathway that can be used on a continuing  
 188.8 basis for transitioning persons from welfare to work; and

188.9 (4) demonstrate the active participation of Department of Employment and

188.10 Economic Development workforce centers, Minnesota State College and University

188.11 institutions and other educational institutions, and local welfare agencies.

188.12 Pathways projects must demonstrate the active involvement and financial  
 188.13 commitment of private business. Pathways projects must be matched with cash or in-kind  
 188.14 contributions on at least a one-to-one ratio by participating private business.

188.15 A single grant to any one institution shall not exceed \$400,000. ~~Up to 25 percent of~~  
 188.16 A portion of a grant may be used for preemployment training.

188.17 **EFFECTIVE DATE.** This section is effective the day following final enactment.

188.18 Sec. 20. Minnesota Statutes 2004, section 116L.12, subdivision 4, is amended to read:

188.19 Subd. 4. **Grants.** Within the limits of available appropriations, the board shall make  
 188.20 grants not to exceed \$400,000 each to qualifying consortia to operate local, regional, or  
 188.21 statewide training and retention programs. Grants may be made from TANF funds, general  
 188.22 fund appropriations, and any other funding sources available to the board, provided the  
 188.23 requirements of those funding sources are satisfied. ~~Up to 25 percent~~ A portion of a  
 188.24 grant may be used for preemployment training. Grant awards must establish specific,  
 188.25 measurable outcomes and timelines for achieving those outcomes.

188.26 **EFFECTIVE DATE.** This section is effective the day following final enactment.

188.27 Sec. 21. Minnesota Statutes 2004, section 178.03, is amended by adding a subdivision  
 188.28 to read:

188.29 **Subd. 3a. Apprentice wages.** (a) The graduated schedule of wages for an  
 188.30 apprenticeship agreement will be determined by the percentage rate used in the majority of  
 188.31 individual apprenticeship agreements on file with the Department of Labor and Industry,  
 188.32 Division of Voluntary Apprenticeship, in any particular trade. The beginning rate must be  
 188.33 at least the federal or state minimum wage rate, whichever is higher.

189.1 (b) The journeyman wage rate for apprenticeship agreements where no bargaining  
189.2 agreement exists must be determined by counties, for all trades. If there is either a state or  
189.3 federal prevailing wage determination or apprenticeship agreement for a trade, the most  
189.4 current rate of the determination or agreement must be used as the journeyman wage rate.

189.5 (c) This subdivision does not apply to programs in penal institutions including  
189.6 stipends paid by the Department of Corrections.

189.7 Sec. 22. Minnesota Statutes 2004, section 183.02, is amended by adding a subdivision  
189.8 to read:

189.9 Subd. 4. Inland waters. "Inland waters" means navigable bodies of water within  
189.10 the boundaries of this state, excluding boundary lakes and boundary rivers.

189.11 Sec. 23. Minnesota Statutes 2005 Supplement, section 216C.052, subdivision 3,  
189.12 is amended to read:

189.13 **Subd. 3. Assessment and appropriation.** In addition to the amount noted in  
189.14 subdivision 2, the commission may assess utilities, using the mechanism specified in that  
189.15 subdivision, up to an additional \$500,000 annually through June 30, ~~2006~~ 2008. The  
189.16 amounts assessed under this subdivision are appropriated to the commission, and some or  
189.17 all of the amounts assessed may be transferred to the commissioner of administration, for  
189.18 the purposes specified in section 16B.325 and Laws 2001, chapter 212, article 1, section  
189.19 3, as needed to implement those sections.

189.20 Sec. 24. Minnesota Statutes 2005 Supplement, section 216C.052, subdivision 4,  
189.21 is amended to read:

189.22 **Subd. 4. Expiration.** ~~This section expires~~ Subdivisions 1 and 2 expire June 30,  
189.23 2007. Subdivision 3 expires June 30, 2008.

189.24 Sec. 25. Minnesota Statutes 2005 Supplement, section 216C.41, subdivision 3, is  
189.25 amended to read:

189.26 **Subd. 3. Eligibility window.** Payments may be made under this section only for  
189.27 electricity generated:

189.28 (1) from a qualified hydroelectric facility that is operational and generating  
189.29 electricity before December 31, ~~2007~~ 2009;

189.30 (2) from a qualified wind energy conversion facility that is operational and  
189.31 generating electricity before January 1, ~~2007~~ 2008; or

190.1 (3) from a qualified on-farm biogas recovery facility from July 1, 2001, through  
190.2 December 31, 2017.

190.3 Sec. 26. Minnesota Statutes 2004, section 216C.41, subdivision 4, is amended to read:

190.4 Subd. 4. **Payment period.** (a) A facility may receive payments under this section for  
190.5 a ten-year period. No payment under this section may be made for electricity generated:

190.6 (1) by a qualified hydroelectric facility after December 31, ~~2017~~ 2019;

190.7 (2) by a qualified wind energy conversion facility after December 31, ~~2017~~ 2018; or

190.8 (3) by a qualified on-farm biogas recovery facility after December 31, 2015.

190.9 (b) The payment period begins and runs consecutively from the date the facility  
190.10 begins generating electricity or, in the case of refurbishment of a hydropower facility, after  
190.11 substantial repairs to the hydropower facility dam funded by the incentive payments are  
190.12 initiated.

190.13 Sec. 27. Minnesota Statutes 2004, section 298.22, subdivision 1, is amended to read:

190.14 Subdivision 1. **The office of the commissioner of Iron Range resources and**

190.15 **rehabilitation.** (1) The office of the commissioner of Iron Range resources and

190.16 rehabilitation is created as an agency in the executive branch of state government. The

190.17 governor shall appoint the commissioner of Iron Range resources and rehabilitation under  
190.18 section 15.06.

190.19 (2) The commissioner may hold other positions or appointments that are not  
190.20 incompatible with duties as commissioner of Iron Range resources and rehabilitation. The  
190.21 commissioner may appoint a deputy commissioner. All expenses of the commissioner,  
190.22 including the payment of such staff and other assistance as may be necessary, must be  
190.23 paid out of the amounts appropriated by section 298.28 or otherwise made available by  
190.24 law to the commissioner.

190.25 (3) When the commissioner determines that distress and unemployment exists or  
190.26 may exist in the future in any county by reason of the removal of natural resources or  
190.27 a possibly limited use of natural resources in the future and any resulting decrease in  
190.28 employment, the commissioner may use whatever amounts of the appropriation made to  
190.29 the commissioner of revenue in section 298.28 that are determined to be necessary and  
190.30 proper in the development of the remaining resources of the county and in the vocational  
190.31 training and rehabilitation of its residents, except that the amount needed to cover cost  
190.32 overruns awarded to a contractor by an arbitrator in relation to a contract awarded by  
190.33 the commissioner or in effect after July 1, 1985, is appropriated from the general fund.

191.1 For the purposes of this section, "development of remaining resources" includes, but is  
 191.2 not limited to, the promotion of tourism.

191.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.

191.4 Sec. 28. Minnesota Statutes 2004, section 298.22, subdivision 8, is amended to read:

191.5 Subd. 8. **Spending priority.** In making or approving any expenditures on programs  
 191.6 or projects, the commissioner and the board shall give the highest priority to programs  
 191.7 and projects that target relief to those areas of the taconite assistance area as defined in  
 191.8 section 273.1341, that have the largest percentages of job losses and population losses  
 191.9 directly attributable to the economic downturn in the taconite industry since the 1980s.  
 191.10 The commissioner and the board shall compare the 1980 population and employment  
 191.11 figures with the 2000 population and employment figures, and shall specifically consider  
 191.12 the job losses in 2000 and 2001 resulting from the closure of LTV Steel Mining Company,  
 191.13 in making or approving expenditures consistent with this subdivision, as well as the areas  
 191.14 of residence of persons who suffered job loss for which relief is to be targeted under this  
 191.15 subdivision. The commissioner may lease, for a term not exceeding 50 years and upon the  
 191.16 terms determined by the commissioner and approved by the board, surface and mineral  
 191.17 interests owned or acquired by the state of Minnesota acting by and through the office  
 191.18 of the commissioner of Iron Range resources and rehabilitation within those portions of  
 191.19 the taconite assistance area impacted by the closure of the LTV Steel Mining Company  
 191.20 facility near Hoyt Lakes. The payments and royalties from these leases must be deposited  
 191.21 into the fund established in section 298.292. This subdivision supersedes any other  
 191.22 conflicting provisions of law and does not preclude the commissioner and the board from  
 191.23 making expenditures for programs and projects in other areas.

191.24 **EFFECTIVE DATE.** This section is effective the day following final enactment.

191.25 Sec. 29. Minnesota Statutes 2004, section 298.22, is amended by adding a subdivision  
 191.26 to read:

191.27 **Subd. 11. Budgeting.** The commissioner of Iron Range resources and rehabilitation  
 191.28 shall annually prepare a budget of operational expenditures, programs, and projects, and  
 191.29 submit it to the Iron Range Resources and Rehabilitation Board and the governor for  
 191.30 approval. Upon board approval, the commissioner is authorized to expend available funds  
 191.31 approved in the budget for operational expenditures, projects, and programs.

191.32 Sec. 30. Minnesota Statutes 2004, section 298.2213, subdivision 4, is amended to read:

192.1 Subd. 4. **Project approval.** The board and commissioner shall by August 1 each  
 192.2 year prepare a list of projects to be funded from the money appropriated in this section  
 192.3 with necessary supporting information including descriptions of the projects, plans, and  
 192.4 cost estimates. A project must not be approved by the board unless it finds that:

192.5 (1) the project will materially assist, directly or indirectly, the creation of additional  
 192.6 long-term employment opportunities;

192.7 (2) the prospective benefits of the expenditure exceed the anticipated costs; and

192.8 (3) in the case of assistance to private enterprise, the project will serve a sound  
 192.9 business purpose.

192.10 ~~To be proposed by the board, a~~ Each project must be approved by a majority of  
 192.11 the Iron Range Resources and Rehabilitation Board members and the commissioner of  
 192.12 Iron Range resources and rehabilitation. The list of projects must be submitted to the  
 192.13 governor, who shall, by November 15 of each year, approve, disapprove, or return for  
 192.14 further consideration, each project. The money for a project may be spent only upon  
 192.15 approval of the project by the governor. The board may submit supplemental projects  
 192.16 for approval at any time.

192.17 **EFFECTIVE DATE.** This section is effective the day following final enactment.

192.18 Sec. 31. Minnesota Statutes 2004, section 298.223, subdivision 2, is amended to read:

192.19 Subd. 2. **Administration.** The taconite area environmental protection fund shall be  
 192.20 administered by the commissioner of the Iron Range Resources and Rehabilitation Board.  
 192.21 The commissioner shall by September 1 of each year submit to the board a list of projects  
 192.22 to be funded from the taconite area environmental protection fund, with such supporting  
 192.23 information including description of the projects, plans, and cost estimates as may be  
 192.24 necessary. Upon approval by a majority of the members of the Iron Range Resources  
 192.25 and Rehabilitation Board, this list shall be submitted to the governor by November 1 of  
 192.26 each year. By December 1 of each year, the governor shall approve or disapprove, or  
 192.27 return for further consideration, each project. Funds for a project may be expended only  
 192.28 upon approval of the project by the board and governor. The commissioner may submit  
 192.29 supplemental projects to the board and governor for approval at any time.

192.30 Sec. 32. Minnesota Statutes 2004, section 298.223, subdivision 3, is amended to read:

192.31 Subd. 3. **Appropriation.** There is ~~hereby~~ annually appropriated to the commissioner  
 192.32 of Iron Range resources and rehabilitation such taconite area environmental protection  
 192.33 funds as are necessary to carry out the approved projects approved and programs and  
 192.34 such the funds as are necessary for administration of this section. Annual administrative

193.1 costs, not including detailed engineering expenses for the projects, shall not exceed five  
 193.2 percent of the amount annually expended from the fund.

193.3 Funds for the purposes of this section are provided by section 298.28, subdivision  
 193.4 11, relating to the taconite area environmental protection fund.

193.5 Sec. 33. Minnesota Statutes 2005 Supplement, section 298.296, subdivision 1, is  
 193.6 amended to read:

193.7 Subdivision 1. **Project approval.** The board and commissioner shall by August 1 of  
 193.8 each year prepare a list of projects to be funded from the Douglas J. Johnson economic  
 193.9 protection trust with necessary supporting information including description of the  
 193.10 projects, plans, and cost estimates. These projects shall be consistent with the priorities  
 193.11 established in section 298.292 and shall not be approved by the board unless it finds that:

193.12 (a) the project will materially assist, directly or indirectly, the creation of additional  
 193.13 long-term employment opportunities;

193.14 (b) the prospective benefits of the expenditure exceed the anticipated costs; and

193.15 (c) in the case of assistance to private enterprise, the project will serve a sound  
 193.16 business purpose.

193.17 ~~To be proposed by the board, a~~ Each project must be approved by at least eight  
 193.18 Iron Range Resources and Rehabilitation Board members and the commissioner of  
 193.19 Iron Range resources and rehabilitation. The list of projects shall be submitted to the  
 193.20 governor, who shall, by November 15 of each year, approve or disapprove, or return for  
 193.21 further consideration, each project. The money for a project may be expended only upon  
 193.22 approval of the project by the governor. The board may submit supplemental projects  
 193.23 for approval at any time.

193.24 **EFFECTIVE DATE.** This section is effective the day following final enactment.

193.25 Sec. 34. Minnesota Statutes 2005 Supplement, section 298.298, is amended to read:

193.26 **298.298 LONG-RANGE PLAN.**

193.27 Consistent with the policy established in sections 298.291 to 298.298, the Iron  
 193.28 Range Resources and Rehabilitation Board and commissioner shall prepare and present  
 193.29 to the governor and the legislature by ~~January 1, 1984~~ December 31, 2006, a long-range  
 193.30 plan for the use of the Douglas J. Johnson economic protection trust fund for the  
 193.31 economic development and diversification of the taconite assistance area defined in  
 193.32 section 273.1341. ~~The Iron Range Resources and Rehabilitation Board shall, before~~  
 193.33 ~~November 15 of each even numbered year, prepare a report to the governor and legislature~~

194.1 ~~updating and revising this long-range plan and reporting on the Iron Range Resources and~~  
 194.2 ~~Rehabilitation Board's progress on those matters assigned to it by law. After January 1,~~  
 194.3 ~~1984~~; No project shall be approved by the Iron Range Resources and Rehabilitation Board  
 194.4 which is not consistent with the goals and objectives established in the long-range plan.

194.5 EFFECTIVE DATE. This section is effective the day following final enactment.

194.6 Sec. 35. [299F.50] DEFINITIONS.

194.7 Subdivision 1. Scope. As used in sections 299F.50 to 299F.52, the terms defined in  
 194.8 this section have the meanings given them.

194.9 Subd. 2. Installed. "Installed" means that an approved carbon monoxide alarm is  
 194.10 hardwired into the electrical wiring, directly plugged into an electrical outlet without a  
 194.11 switch, or, if the alarm is battery-powered, attached to the wall of the dwelling.

194.12 Subd. 3. Single and multifamily dwelling. "Single and multifamily dwelling"  
 194.13 means any building or structure that is wholly or partly used or intended to be used for  
 194.14 living or sleeping by human occupants.

194.15 Subd. 4. Dwelling unit. "Dwelling unit" means an area meant for living or sleeping  
 194.16 by human occupants.

194.17 Subd. 5. Approved carbon monoxide alarm. "Approved carbon monoxide alarm"  
 194.18 means a device meant for the purpose of detecting carbon monoxide that is certified by a  
 194.19 nationally recognized testing laboratory to conform to the latest Underwriters Laboratories  
 194.20 Standards (known as UL2034 standards).

194.21 Subd. 6. Operational. "Operational" means working and in service according to  
 194.22 manufacturer's directions.

194.23 Sec. 36. [299F.51] REQUIREMENTS FOR CARBON MONOXIDE ALARMS.

194.24 Subdivision 1. Generally. Every single-family dwelling and every dwelling unit in  
 194.25 a multifamily dwelling must have an approved and operational carbon monoxide alarm  
 194.26 installed on each level of the residence and within ten feet of each room lawfully used for  
 194.27 sleeping purposes.

194.28 Subd. 2. Owner's duties. The owner of a multifamily dwelling that is required to  
 194.29 be equipped with one or more approved carbon monoxide alarms must:

194.30 (1) provide and install one approved and operational carbon monoxide alarm on each  
 194.31 level of the dwelling and within ten feet of each room lawfully used for sleeping; and

194.32 (2) replace any approved carbon monoxide alarm that has been stolen, removed,  
 194.33 found missing, or rendered inoperable during a prior occupancy of the dwelling unit

195.1 and that has not been replaced by the prior occupant before the commencement of a  
 195.2 new occupancy of a dwelling unit.

195.3 Subd. 3. Occupant's duties. The occupant of each dwelling unit in a multifamily  
 195.4 dwelling in which an approved and operational carbon monoxide alarm has been provided  
 195.5 and installed by the owner must:

195.6 (1) keep and maintain the device in good repair according to manufacturer's  
 195.7 directions; and

195.8 (2) replace any device that is stolen, removed, missing, or rendered inoperable  
 195.9 during the occupancy of the dwelling unit.

195.10 Subd. 4. Battery removal prohibited. A person shall not remove batteries from, or  
 195.11 in any way render inoperable, a required carbon monoxide alarm.

195.12 **Sec. 37. [299F.52] ENFORCEMENT.**

195.13 A violation of section 299F.50 or 299F.51 subjects the owner of the single family  
 195.14 dwelling, multifamily dwelling, or dwelling unit to the same penalty and enforcement  
 195.15 mechanism provided for violations of the Minnesota Fire Code provided in section  
 195.16 299F.011, subdivision 6.

195.17 **Sec. 38. Minnesota Statutes 2004, section 326.105, is amended to read:**

195.18 **326.105 FEES.**

195.19 The fee for licensure or renewal of licensure as an architect, professional engineer,  
 195.20 land surveyor, landscape architect, or geoscience professional is \$120 per biennium.

195.21 The fee for certification as a certified interior designer or for renewal of the certificate  
 195.22 is \$120 per biennium. The fee for an architect applying for original certification as a  
 195.23 certified interior designer is \$50 per biennium. The initial license or certification fee for  
 195.24 all professions is \$120. The renewal fee shall be paid biennially on or before June 30 of  
 195.25 each even-numbered year. The renewal fee, when paid by mail, is not timely paid unless it  
 195.26 is postmarked on or before June 30 of each even-numbered year. The application fee is  
 195.27 \$25 for in-training applicants and \$75 for professional license applicants.

195.28 ~~The fee for monitoring licensing examinations for applicants is \$25, payable by~~  
 195.29 ~~the applicant.~~

195.30 **Sec. 39. Minnesota Statutes 2005 Supplement, section 327.201, is amended to read:**

195.31 **327.201 STATE FAIR CAMPING AREA.**

195.32 Notwithstanding sections 327.14 to 327.28 or any rule adopted by the commissioner  
 195.33 of health, the State Agricultural Society must operate and maintain a camping area on the



196.1 State Fairgrounds during the State Fair and the Minnesota Street Rod Association's Back  
 196.2 to the 50's event, subject to the following conditions:

196.3 (1) recreational camping vehicles and tents, including their attachments, must be  
 196.4 separated from each other and from other structures by at least seven feet;

196.5 (2) a minimum area of 300 square feet per site must be provided and the total number  
 196.6 of sites must not exceed one site for every 300 square feet of usable land area; and

196.7 (3) each site must face a driveway at least 16 feet in width and each driveway must  
 196.8 have unobstructed access to a public roadway.

196.9 EFFECTIVE DATE. This section is effective the day following final enactment.

196.10 Sec. 40. [341.21] DEFINITIONS.

196.11 Subdivision 1. Applicability. The definitions in this section apply to this chapter.

196.12 Subd. 2. Boxing. "Boxing" means the act of attack and defense with the fists, using  
 196.13 padded gloves, that is practiced as a sport under the rules of the World Boxing Association,  
 196.14 the World Boxing Council, the International Boxing Federation, or equivalent. Where  
 196.15 applicable, boxing includes full contact karate.

196.16 Subd. 3. Commission. "Commission" means the Minnesota Boxing Commission.

196.17 Subd. 4. Contest. "Contest" means any boxing or nontraditional fighting contest,  
 196.18 match, or exhibition.

196.19 Subd. 5. Nontraditional fighting contest. "Nontraditional fighting contest" means  
 196.20 any competition between two or more persons, with or without gloves, who use any  
 196.21 combination of fighting skills, including boxing, wrestling, hitting, kicking, martial arts,  
 196.22 and other combative full contact techniques. Nontraditional fighting contests include, but  
 196.23 are not limited to, ultimate fighting, extreme fighting, elimination contests, cage fighting,  
 196.24 mixed martial arts fighting, tough man contests, shoot fighting, but do not include kick  
 196.25 boxing or any recognized martial arts competition.

196.26 Subd. 6. Professional. "Professional" means any person who competes for any  
 196.27 money prize or a prize that exceeds the value of \$50 or teaches, pursues, or assists in  
 196.28 the practice of boxing or nontraditional fighting as a means of obtaining a livelihood  
 196.29 or pecuniary gain.

196.30 Subd. 7. Director. "Director" means the executive director of the commission.

196.31 Subd. 8. Tough man contest. "Tough man contest" means any boxing match  
 196.32 consisting of one-minute rounds between two or more persons who use their hands,  
 196.33 wearing padded gloves that weigh not less than 12 ounces, or their feet, or both, in any  
 196.34 manner. Tough man contest does not include kick boxing, any recognized martial arts  
 196.35 competition, or boxing as defined in subdivision 2.

197.1       Sec. 41. [341.22] BOXING COMMISSION.

197.2           There is created the Minnesota Boxing Commission consisting of seven members  
197.3 who are citizens of this state. Three members of the commission must be retired judges  
197.4 of the Minnesota district court, Minnesota Court of Appeals, Minnesota Supreme Court,  
197.5 the United States District Court for the District of Minnesota, or the Eighth Circuit Court  
197.6 of Appeals; two members must be licensed medical doctors; and two members must  
197.7 be boxers. No member may fulfill more than one of these requirements at the same  
197.8 time. Membership terms, compensation of members, removal of members, the filling of  
197.9 membership vacancies, and fiscal year and reporting requirements must be as provided  
197.10 in sections 214.07 to 214.09. The provision of staff, administrative services, and office  
197.11 space; the review and processing of complaints; the setting of fees; and other provisions  
197.12 relating to commission operations must be as provided in chapter 214.

197.13       Sec. 42. [341.23] LIMITATIONS.

197.14           No member of the Boxing Commission may directly or indirectly promote a boxing  
197.15 or nontraditional fighting contest, or directly or indirectly engage in the managing of a  
197.16 boxer or fighter, or have an interest in any manner in the proceeds from a boxing match or  
197.17 nontraditional fighting contest.

197.18       Sec. 43. [341.24] EXECUTIVE DIRECTOR.

197.19           The commission may appoint, and at its pleasure remove, an executive director and  
197.20 prescribe the powers and duties of the office. The executive director is not a member of  
197.21 the commission. The commission may employ personnel necessary to the performance of  
197.22 its duties.

197.23       Sec. 44. [341.25] RULES.

197.24           (a) The commission may adopt rules that include standards for the physical  
197.25 examination and condition of boxers, nontraditional fighters, and referees.

197.26           (b) The commission may adopt other rules necessary to carry out the purposes of this  
197.27 chapter, including, but not limited to, the conduct of boxing exhibitions, bouts, fights, and  
197.28 nontraditional fighting contests and events, and their manner, supervision, time, and place.

197.29       Sec. 45. [341.26] MEETINGS.

197.30           The commission shall hold a regular meeting quarterly and may hold special  
197.31 meetings. Except as otherwise provided in law, all meetings of the commission must be  
197.32 open to the public and reasonable notice of the meetings must be given under chapter 13D.

198.1 Sec. 46. **[341.27] COMMISSION DUTIES.**

198.2 The commission shall:

198.3 (1) issue, deny, renew, suspend, or revoke licenses;

198.4 (2) make and maintain records of its acts and proceedings including the issuance,  
198.5 denial, renewal, suspension, or revocation of licenses;

198.6 (3) keep public records of the commission open to inspection at all reasonable times;

198.7 (4) assist the director in the development of rules to be implemented under this  
198.8 chapter; and

198.9 (5) conform to the rules adopted under this chapter.

198.10 Sec. 47. **[341.28] REGULATION OF BOXING AND NONTRADITIONAL**  
198.11 **FIGHTING CONTESTS.**

198.12 Subdivision 1. Regulatory authority; boxing. All boxing contests are subject to  
198.13 this chapter. Every contestant in a boxing contest shall wear padded gloves that weigh at  
198.14 least eight ounces. The commission shall, for every boxing contest:

198.15 (1) direct a commission member to be present; and

198.16 (2) direct the attending commission member to make a written report of the contest.

198.17 All boxing contests must be conducted according to the provisions of this chapter.

198.18 Subd. 2. Regulatory authority; tough man contests. All tough man contests,  
198.19 including amateur tough man contests, are subject to this chapter. Every contestant in a  
198.20 tough man contest shall wear padded gloves that weight at least 12 ounces.

198.21 Subd. 3. Regulatory authority; nontraditional fighting. All nontraditional  
198.22 fighting, including amateur nontraditional fighting contests, is subject to this chapter and  
198.23 the rules adopted by the commission. Contestants in nontraditional fighting contests shall  
198.24 not strike other contestants in the spinal column or in the back of the head, and shall not  
198.25 strike with their knees or elbows.

198.26 Sec. 48. **[341.29] JURISDICTION OF COMMISSION.**

198.27 The commission shall:

198.28 (1) have sole direction, supervision, regulation, control, and jurisdiction over all  
198.29 boxing contests, tough man contests, and nontraditional fighting contests held within this  
198.30 state unless a contest is exempt from the application of this chapter under federal law;

198.31 (2) have sole control, authority, and jurisdiction over all licenses required by this  
198.32 chapter; and

198.33 (3) grant a license to an applicant if, in the judgment of the commission, the financial  
198.34 responsibility, experience, character, and general fitness of the applicant are consistent

199.1 with the public interest, convenience, or necessity and the best interests of boxing and  
 199.2 conforms with this chapter and the commission's rules.

199.3 **Sec. 49. [341.30] LICENSURE; PERSONS REQUIRED TO OBTAIN**  
 199.4 **LICENSES; REQUIREMENTS; BACKGROUND INFORMATION; FEE; BOND.**

199.5 **Subdivision 1. Licensure; individuals.** All referees, judges, matchmakers,  
 199.6 promoters, trainers, ring announcers, timekeepers, ringside physicians, boxers,  
 199.7 nontraditional fighters, boxers' managers, and boxers' seconds are required to be licensed  
 199.8 by the commission. The commission shall not permit any of these persons to participate  
 199.9 in the holding or conduct of any boxing contest unless the commission has first issued  
 199.10 the person a license.

199.11 **Subd. 2. Entity licensure.** Before participating in the holding or conduct of any  
 199.12 boxing or nontraditional fighting contest, a corporation, partnership, limited liability  
 199.13 company, or other business entity organized and existing under law, its officers and  
 199.14 directors, and any person holding 25 percent or more of the ownership of the corporation  
 199.15 shall obtain a license from the commission and must be authorized to do business under  
 199.16 the laws of this state.

199.17 **Subd. 3. Background investigation.** The commission shall require referees,  
 199.18 judges, matchmakers, promoters, boxers, and nontraditional fighters' managers to furnish  
 199.19 fingerprints and background information under commission rules before licensure. The  
 199.20 commission shall charge a fee for receiving fingerprints and background information  
 199.21 in an amount determined by the commission. The commission may require referees,  
 199.22 judges, matchmakers, promoters, boxers, and nontraditional fighters' managers to furnish  
 199.23 fingerprints and background information before license renewal. The fee may include a  
 199.24 reasonable charge for expenses incurred by the commission or the Department of Public  
 199.25 Safety. For this purpose, the commission and the Department of Public Safety may enter  
 199.26 into an interagency agreement.

199.27 **Subd. 4. Prelicensure requirements.** (a) Before the commission issues a license to  
 199.28 a promoter, matchmaker, corporation, or other business entity, the applicant shall:

199.29 **(1) provide the commission with a copy of any agreement between a contestant and**  
 199.30 **the applicant that binds the applicant to pay the contestant a certain fixed fee or percentage**  
 199.31 **of the gate receipts;**

199.32 **(2) show on the application the owner or owners of the applicant entity and the**  
 199.33 **percentage of interest held by each owner holding a 25 percent or more interest in the**  
 199.34 **applicant;**

200.1 (3) provide the commission with a copy of the latest financial statement of the  
200.2 entity; and

200.3 (4) provide the commission with a copy or other proof acceptable to the commission  
200.4 of the insurance contract or policy required by this chapter.

200.5 (b) Before the commission issues a license to a promoter, the applicant shall deposit  
200.6 with the commission a cash bond or surety bond in an amount set by the commission.  
200.7 The bond shall be executed in favor of this state and shall be conditioned on the faithful  
200.8 performance by the promoter of the promoter's obligations under this chapter and the  
200.9 rules adopted under it.

200.10 (c) Before the commission issues a license to a boxer or nontraditional fighter, the  
200.11 applicant shall submit to the commission the results of a current medical examination on  
200.12 forms furnished or approved by the commission. The medical examination must include  
200.13 an ophthalmological and neurological examination. The ophthalmological examination  
200.14 must be designed to detect any retinal defects or other damage or condition of the  
200.15 eye that could be aggravated by boxing or nontraditional fighting. The neurological  
200.16 examination must include an electroencephalogram or medically superior test if the  
200.17 boxer or nontraditional fighter has been knocked unconscious in a previous boxing,  
200.18 nontraditional fighting, or other athletic competition. The commission may also order an  
200.19 electroencephalogram or other appropriate neurological or physical examination before  
200.20 any contest, match, or exhibition if it determines that the examination is desirable to  
200.21 protect the health of the boxer or nontraditional fighter.

200.22 **Sec. 50. [341.31] SIMULCAST LICENSES.**

200.23 The commission shall issue a license to a person or organization holding, showing,  
200.24 or exhibiting a simultaneous telecast of any live, current, or spontaneous boxing or  
200.25 sparring match or nontraditional fighting exhibition or performance on a closed circuit  
200.26 telecast or subscription television program viewed within the state, whether originating  
200.27 in this state or elsewhere, and for which a charge is made. Each person or organization  
200.28 shall apply for such a license in advance of each showing. No showing may be licensed  
200.29 unless the person or organization applying for the license:

200.30 (1) certifies that the match is subject to the jurisdiction and regulation of a boxing or  
200.31 athletic regulatory authority in another state or country;

200.32 (2) certifies the match is in compliance with the requirements of the authority;

200.33 (3) identifies the authority; and

200.34 (4) provides any information the commission may require.

201.1 Sec. 51. **[341.32] LICENSE FEES; EXPIRATION; RENEWAL.**

201.2 **Subdivision 1. Annual licensure.** The commission may establish and issue annual  
201.3 licenses subject to the collection of advance fees by the commission for promoters,  
201.4 matchmakers, managers, judges, referees, ring announcers, ringside physicians,  
201.5 timekeepers, boxers, nontraditional fighters, boxers' trainers, boxers' seconds, business  
201.6 entities filing for a license to participate in the holding of any boxing contest, and officers,  
201.7 directors, or other persons affiliated with the business entity.

201.8 **Subd. 2. Expiration and renewal.** A license expires December 31 at midnight in  
201.9 the year of its issuance and may be renewed by filing an application for renewal with the  
201.10 commission and payment of the license fee. An application for a license and renewal of a  
201.11 license must be on a form provided by the commission. There is a 30-day grace period  
201.12 during which a license may be renewed if a late filing penalty fee equal to the license fee  
201.13 is submitted with the regular license fee. A licensee that files late shall not conduct any  
201.14 activity regulated by this chapter until the commission has renewed the license. If the  
201.15 licensee fails to apply to the commission within the 30-day grace period, the licensee must  
201.16 apply for a new license under subdivision 1.

201.17 Sec. 52. **[341.33] CONTESTANTS AND REFEREES; PHYSICAL**  
201.18 **EXAMINATION; ATTENDANCE OF PHYSICIAN; PAYMENT OF FEES;**  
201.19 **INSURANCE.**

201.20 **Subdivision 1. Examination by physician.** All boxers, nontraditional fighters,  
201.21 and referees shall be examined by a physician licensed by this state within three hours  
201.22 before entering the ring, and the examining physician shall immediately file with the  
201.23 commission a written report of the examination. The physician's examination shall report  
201.24 on the condition of the boxer's heart and general physical and neurological condition. The  
201.25 physician's report may record the condition of the boxer's nervous system and brain as  
201.26 required by the commission. The physician may prohibit the boxer from entering the ring  
201.27 if, in the physician's professional opinion, it is in the best interest of the boxer's health.  
201.28 The cost of the examination is payable by the person or entity conducting the contest  
201.29 or exhibition.

201.30 **Subd. 2. Attendance of physician.** A person holding or sponsoring a boxing or  
201.31 nontraditional fighting contest shall have in attendance a physician licensed by this state.  
201.32 The commission may establish a schedule of fees to be paid to each attending physician  
201.33 by the person holding or sponsoring the contest.

201.34 Sec. 53. **[341.34] INSURANCE.**

202.1 Subdivision 1. Required insurance. The commission shall:

202.2 (1) require insurance coverage for a boxer or nontraditional fighter to provide  
202.3 for medical, surgical, and hospital care for injuries sustained in the ring in an amount  
202.4 of \$100,000 with \$25 deductible and payable to the boxer or nontraditional fighter as  
202.5 beneficiary; and

202.6 (2) require life insurance for a boxer or nontraditional fighter in the amount of  
202.7 \$50,000 payable in case of accidental death resulting from injuries sustained in the ring.

202.8 Subd. 2. Payment for insurance. The cost of the insurance required by this section  
202.9 is payable by the promoter.

202.10 **Sec. 54. [341.35] PENALTIES FOR NONLICENSED EXHIBITIONS.**

202.11 Any person or persons who send or cause to be sent, published, or otherwise made  
202.12 known, any challenge to fight what is commonly known as a prize fight, or engage in any  
202.13 public boxing or sparring match, or nontraditional exhibition or contest, with or without  
202.14 gloves, for any prize, reward, or compensation, or for which any admission fee is charged  
202.15 directly or indirectly, or go into training preparatory for the fight, exhibition, or contest,  
202.16 or act as a trainer, aider, abettor, backer, umpire, referee, second, surgeon, assistant, or  
202.17 attendant at the fight, exhibition, or contest, or in any preparation for same, and any owner  
202.18 or lessee of any ground, building, or structure of any kind permitting the same to be  
202.19 used for any fight, exhibition, or contest, is guilty of a misdemeanor unless a license  
202.20 for the holding of the fight, exhibition, or contest has been issued by the commission in  
202.21 compliance with the rules adopted by it.

202.22 **Sec. 55. [341.37] APPROPRIATION.**

202.23 A Boxing Commission account is created in the special revenue fund. Money in  
202.24 the account is annually appropriated to the Boxing Commission for the purposes of  
202.25 conducting its statutory responsibilities and obligations.

202.26 **Sec. 56. Minnesota Statutes 2004, section 446A.03, subdivision 5, is amended to read:**

202.27 **Subd. 5. Executive director.** The commissioner shall employ, with the concurrence  
202.28 of the authority, an executive director in the unclassified service. The director shall  
202.29 perform duties that the authority may require in carrying out its responsibilities.

202.30 **Sec. 57. Minnesota Statutes 2004, section 446A.12, subdivision 1, is amended to read:**

202.31 **Subdivision 1. Bonding authority.** The authority may issue negotiable bonds in a  
202.32 principal amount that the authority determines necessary to provide sufficient funds for

203.1 achieving its purposes, including the making of loans and purchase of securities, the  
203.2 payment of interest on bonds of the authority, the establishment of reserves to secure its  
203.3 bonds, the payment of fees to a third party providing credit enhancement, and the payment  
203.4 of all other expenditures of the authority incident to and necessary or convenient to carry  
203.5 out its corporate purposes and powers, but not including the making of grants. Bonds of  
203.6 the authority may be issued as bonds or notes or in any other form authorized by law. The  
203.7 principal amount of bonds issued and outstanding under this section at any time may not  
203.8 exceed ~~\$1,250,000,000~~ \$1,500,000,000, excluding bonds for which refunding bonds or  
203.9 crossover refunding bonds have been issued.

203.10 Sec. 58. Minnesota Statutes 2004, section 473.252, subdivision 3, is amended to read:

203.11 Subd. 3. **Distribution of funds.** (a) The council must use the funds in the account  
203.12 to make grants to municipalities or development authorities for the cleanup of polluted  
203.13 land in the metropolitan area. A grant to a metropolitan county or a development authority  
203.14 must be used for a project in a participating municipality. The council shall prescribe  
203.15 and provide the grant application form to municipalities. The council must consider the  
203.16 probability of funding from other sources when making grants under this section.

203.17 (b)(1) The legislature expects that applications for grants will exceed the available  
203.18 funds and the council will be able to provide grants to only some of the applicant  
203.19 municipalities. If applications for grants for qualified sites exceed the available funds,  
203.20 the council shall make grants that provide the highest return in public benefits for the  
203.21 public costs incurred, that encourage development that will lead to the preservation or  
203.22 growth of living-wage jobs or the production of affordable housing, and that enhance the  
203.23 tax base of the recipient municipality. For purposes of ranking applications, equal weight  
203.24 shall be given to preservation or growth of living-wage jobs and to the production of  
203.25 affordable housing.

203.26 For purposes of this section, affordable housing includes both:

203.27 (i) affordable rental housing for persons or families whose income, at the time  
203.28 of initial occupancy, does not exceed 60 percent of median income as determined by  
203.29 the United States Department of Housing and Urban Development for the metropolitan  
203.30 area; and

203.31 (ii) affordable ownership housing units for persons or families whose income, at the  
203.32 time of initial occupancy, does not exceed 80 percent of median income as determined by  
203.33 the United States Department of Housing and Urban Development for the metropolitan  
203.34 area.



204.1 (2) In making grants, the council shall establish regular application deadlines in  
 204.2 which grants will be awarded from the available money in the account. If the council  
 204.3 provides for application cycles of less than six-month intervals, the council must reserve  
 204.4 at least 40 percent of the receipts of the account for a year for application deadlines that  
 204.5 occur in the second half of the year. If the applications for grants exceed the available  
 204.6 funds for an application cycle, no more than one-half of the funds may be granted to  
 204.7 projects in a statutory or home rule charter city and no more than three-quarters of the  
 204.8 funds may be granted to projects located in cities of the first class.

204.9 (c) A municipality may use the grant to provide a portion of the local match  
 204.10 requirement for project costs that qualify for a grant under sections 116J.551 to 116J.557.

204.11 Sec. 59. EFFECTIVE DATE.

204.12 Sections 35 to 37 are effective January 1, 2007, for all newly constructed  
 204.13 single-family and multifamily dwelling units and August 1, 2008, for all existing and  
 204.14 newly constructed single family and multifamily dwelling units.

204.15 **ARTICLE 15**

204.16 **TRANSPORTATION**

204.17 Section 1. TRANSPORTATION APPROPRIATIONS.

204.18 The sums shown in the columns marked "APPROPRIATIONS" are added to  
 204.19 the appropriations in Laws 2005, First Special Session chapter 6, article 1, or other  
 204.20 specified law, to the named agencies and for the specified purposes. The sums shown are  
 204.21 appropriated from the general fund, or another named fund, to be available for the fiscal  
 204.22 years indicated for each purpose. The figures "2006" and "2007" used in this article mean  
 204.23 that the appropriation or appropriations listed under them are available for the fiscal year  
 204.24 ending June 30, 2006, or June 30, 2007, respectively. Appropriations in this article for the  
 204.25 fiscal year ending June 30, 2006, are effective the day following final enactment.

204.26 SUMMARY BY FUND

204.27		<u>2006</u>		<u>2007</u>		<u>TOTAL</u>
204.28	<u>General</u>	\$ -0-		\$ 4,320,000	\$	<u>4,320,000</u>

204.29				<u>APPROPRIATIONS</u>	
204.30				<u>Available for the Year</u>	
204.31				<u>Ending June 30</u>	
204.32				<u>2006</u>	<u>2007</u>
204.33			\$	\$	

205.1	Sec. 2. <b><u>TRANSPORTATION</u></b>	<u>-0-</u>	<u>1,880,000</u>
205.2	<u>This onetime appropriation includes money</u>		
205.3	<u>for the following purposes:</u>		
205.4	<b><u>(a) Town road sign replacement program</u></b>		<u>1,500,000</u>
205.5	<u>To implement the town road sign replacement</u>		
205.6	<u>program established in Laws 2005, First</u>		
205.7	<u>Special Session chapter 6, article 3, section</u>		
205.8	<u>89. For the purpose of this appropriation,</u>		
205.9	<u>implementation includes the purchase and</u>		
205.10	<u>installation of new signs. This appropriation</u>		
205.11	<u>may be used to satisfy any local matching</u>		
205.12	<u>requirement for the receipt of federal</u>		
205.13	<u>funds. This appropriation is available until</u>		
205.14	<u>expended.</u>		
205.15	<b><u>(b) Department of Transportation radio</u></b>		
205.16	<b><u>tower</u></b>		<u>380,000</u>
205.17	<u>To design and construct a new radio tower</u>		
205.18	<u>in Roseau County. This appropriation is</u>		
205.19	<u>available until expended.</u>		
205.20	Sec. 3. <b><u>METROPOLITAN COUNCIL</u></b>		<u>2,040,000</u>
205.21	<u>This onetime appropriation includes money</u>		
205.22	<u>for the following purposes:</u>		
205.23	<b><u>(a) Bus transit</u></b>		<u>1,540,000</u>
205.24	<u>For bus system operations.</u>		
205.25	<b><u>(b) Light rail transit feasibility study</u></b>		<u>500,000</u>
205.26	<u>For a study of and report on the feasibility</u>		
205.27	<u>of the use of light rail transit in the marked</u>		
205.28	<u>Interstate Highway 394 corridor between</u>		
205.29	<u>downtown Minneapolis and Ridgedale</u>		
205.30	<u>Drive in Minnetonka, with the alternative</u>		

206.1 of extending to Wayzata. The Metropolitan  
206.2 Council may hire a consultant to assist in the  
206.3 study and report.

206.4 The light rail transit feasibility study shall  
206.5 include, without limitation:

206.6 (1) an identification of major operational  
206.7 characteristics of light rail transit in the  
206.8 corridor;

206.9 (2) a quantification of capital and operating  
206.10 costs;

206.11 (3) an evaluation of the interface of the light  
206.12 rail transit system with other transportation  
206.13 systems in the corridor;

206.14 (4) an evaluation of the impact of the light  
206.15 rail transit system on land-use and urban  
206.16 development;

206.17 (5) an estimate of the cost and impact of  
206.18 necessary associated exercise of eminent  
206.19 domain;

206.20 (6) an evaluation of the impact of the  
206.21 light rail transit system on energy and the  
206.22 environment;

206.23 (7) a comparison of the light rail transit  
206.24 system with multipassenger alternatives such  
206.25 as buses and carpools;

206.26 (8) an estimate of ridership potential;

206.27 (9) a cost-benefit analysis that compares the  
206.28 total cost of the project with the benefits of  
206.29 the light rail transit line to its users, other  
206.30 users of the highway, and adjacent property  
206.31 owners;

207.1 (10) an identification of potential sources of  
 207.2 federal, state, local, private, and other funds;  
 207.3 and  
 207.4 (11) an identification of the conditions  
 207.5 necessary for light rail transit to be feasible in  
 207.6 the marked Interstate Highway 394 corridor.

207.7 **Sec. 4. STATE PATROL** 400,000

207.8 For purchase of automated external  
 207.9 defibrillators for State Patrol vehicles. This  
 207.10 is a onetime appropriation.

207.11 **Sec. 5. EFFECTIVE DATE.**

207.12 This article is effective the day following final enactment.

207.13 **ARTICLE 16**  
 207.14 **PUBLIC SAFETY**

207.15 **Section 1. PUBLIC SAFETY APPROPRIATIONS.**

207.16 The sums shown in the columns marked "APPROPRIATIONS" are added to the  
 207.17 appropriations in Laws 2005, chapter 136, article 1, or other law to the agencies and for  
 207.18 the purposes specified in this article. The appropriations are from the general fund or  
 207.19 another named fund and are available for the fiscal years indicated for each purpose. The  
 207.20 figures "2006" and "2007" used in this article mean that the addition to the appropriation  
 207.21 listed under them is available for the fiscal year ending June 30, 2006, or June 30,  
 207.22 2007, respectively. "The first year" is fiscal year 2006. "The second year" is fiscal year  
 207.23 2007. "The biennium" is fiscal years 2006 and 2007. Supplementary appropriations and  
 207.24 reductions to appropriations for the fiscal year ending June 30, 2006, are effective the  
 207.25 day following final enactment.

207.26 **SUMMARY BY FUND**

	<u>2006</u>	<u>2007</u>	<u>TOTAL</u>
207.28 <u>General</u>	\$ <u>3,562,000</u>	\$ <u>6,650,000</u>	\$ <u>10,212,000</u>
207.29 <u>Special Revenue</u>	<u>-0-</u>	<u>200,000</u>	<u>200,000</u>
207.30 <u>TOTAL</u>	\$ <u>3,562,000</u>	\$ <u>6,850,000</u>	\$ <u>10,412,000</u>

		<u>APPROPRIATIONS</u>	
		<u>Available for the Year</u>	
		<u>Ending June 30</u>	
		<u>2006</u>	<u>2007</u>
208.1			
208.2			
208.3			
208.4			
208.5	Sec. 2. <u>SUPREME COURT</u>	\$	-0- \$ 600,000
208.6	<u>AOD offenders</u>		
208.7	<u>For the first phase of a judicial initiative</u>		
208.8	<u>to more effectively address the increasing</u>		
208.9	<u>numbers of alcohol and other drug (AOD)</u>		
208.10	<u>offenders coming into Minnesota courts,</u>		
208.11	<u>including the increase in methamphetamine</u>		
208.12	<u>offenders. This is a onetime appropriation.</u>		
208.13	<u>Of this amount:</u>		
208.14	<u>(1) \$300,000 is for a study to recommend a</u>		
208.15	<u>more uniform and cost-effective structure</u>		
208.16	<u>for creating statewide applications of the</u>		
208.17	<u>problem-solving court model;</u>		
208.18	<u>(2) \$100,000 is to augment treatment services</u>		
208.19	<u>for problem-solving courts; and</u>		
208.20	<u>(3) \$200,000 is for development of a</u>		
208.21	<u>multicounty pilot problem-solving court.</u>		
208.22	Sec. 3. <u>BOARD ON JUDICIAL</u>		
208.23	<u>STANDARDS</u>	<u>172,000</u>	<u>-0-</u>
208.24	<u>Special hearings</u>		
208.25	<u>For costs of special hearings and an</u>		
208.26	<u>investigation regarding complaints of judicial</u>		
208.27	<u>misconduct. This is a onetime appropriation</u>		
208.28	<u>and is available until June 30, 2007.</u>		
208.29	Sec. 4. <u>BOARD OF PUBLIC DEFENSE</u>		<u>-0- 60,000</u>
208.30	<u>Appellate transcripts</u>		

209.1 For additional costs associated with appellate  
 209.2 transcripts.

209.3 **Sec. 5. PUBLIC SAFETY**

209.4 **Subdivision 1. Total appropriation** 177,000 2,160,000

209.5 These appropriations are added to the  
 209.6 appropriations in Laws 2005, chapter 136,  
 209.7 article 1, section 9. The amounts that may  
 209.8 be spent from these appropriations for each  
 209.9 program are specified in subdivisions 2 to 4.

209.10 **Subd. 2. Emergency management**

209.11 Extraordinarily hazardous substances -0- 60,000

209.12 To implement the changes made in this article  
 209.13 to Minnesota Statutes, chapter 115E, relating  
 209.14 to extraordinarily hazardous substances.

209.15 **Subd. 3. Criminal apprehension**

209.16 **(a) Predatory offender database** -0- 125,000

209.17 To enhance the predatory offender database  
 209.18 to facilitate notification of noncompliant sex  
 209.19 offenders on the Internet. The base budget  
 209.20 for this activity is \$116,000 in fiscal year  
 209.21 2008 and fiscal year 2009.

209.22 **(b) Missing persons and unidentified bodies**  
 209.23 **backlog** -0- 100,000

209.24 To address the missing persons and  
 209.25 unidentified bodies backlog. This is a  
 209.26 onetime appropriation.

27 The superintendent shall coordinate with  
 209.28 federal and local units of government;  
 209.29 federal, state, and local law enforcement  
 209.30 agencies; medical examiners; coroners;

210.1 odontologists; and other entities to reduce  
210.2 the state's reporting, data entry, and  
210.3 record-keeping backlog relating to missing  
210.4 persons and unidentified bodies. To the  
210.5 degree feasible, the superintendent shall  
210.6 ensure that all necessary data and samples,  
210.7 including, but not limited to, DNA samples  
210.8 and dental records get entered into all  
210.9 relevant federal and state databases.

210.10 By February 1, 2007, the superintendent shall  
210.11 report to the chairs and ranking minority  
210.12 members of the senate and house committees  
210.13 and divisions having jurisdiction over  
210.14 criminal justice policy and funding on the  
210.15 efforts to reduce the state's backlog. The  
210.16 report must give detailed information on how  
210.17 this appropriation was spent and how this  
210.18 affected the backlog. In addition, the report  
210.19 must make recommendations for changes  
210.20 to state law, including suggested legislative  
210.21 language, to improve reporting, data entry,  
210.22 and record keeping relating to future cases  
210.23 involving missing persons and unidentified  
210.24 bodies.

210.25 (c) Missing adults model policy

210.26 The superintendent, in consultation with  
210.27 the Minnesota Sheriffs Association and the  
210.28 Minnesota Chiefs of Police Association,  
210.29 shall develop a model policy to address law  
210.30 enforcement efforts and duties regarding  
210.31 missing adults and provide training to local  
210.32 law enforcement agencies on this model  
210.33 policy.

210.34 By February 1, 2007, the superintendent shall  
210.35 report to the chairs and ranking minority

211.1 members of the senate and house committees  
 211.2 and divisions having jurisdiction over  
 211.3 criminal justice policy and funding on the  
 211.4 model policy and training.

211.5 Subd. 4. Office of justice programs

211.6 (a) Gang strike force and narcotic task forces -0- 800,000

211.7 For expanded operations of the criminal gang  
 211.8 strike force and narcotics task forces. This  
 211.9 money is to be used to expand the activities  
 211.10 of the criminal gang strike force and narcotics  
 211.11 task forces to include investigations of gang  
 211.12 or narcotics-related human trafficking and  
 211.13 domestic or international drug trafficking  
 211.14 cases. This appropriation must be used to  
 211.15 increase the complement of individuals  
 211.16 assigned to the criminal gang strike force and  
 211.17 narcotics task forces throughout the state.

211.18 (b) Safe harbor for sexually exploited youth  
 211.19 pilot project -0- 98,000

211.20 For a grant to Ramsey County to implement  
 211.21 the safe harbor for sexually exploited youth  
 211.22 pilot project. The project must develop a  
 211.23 victim services model to address the needs  
 211.24 of sexually exploited youth. The project  
 211.25 must focus on intervention and prevention  
 211.26 methods; training for law enforcement,  
 211.27 educators, social services providers, health  
 211.28 care workers, advocates, court officials,  
 211.29 prosecutors, and public defenders; and  
 211.30 programs promoting positive outcomes  
 211.31 for victims. The project must include  
 211.32 development and implementation of a  
 211.33 statewide model protocol for intervention  
 211.34 and response methods for professionals,



212.1 individuals, and agencies that may encounter  
 212.2 sexually exploited youth. "Sexually  
 212.3 exploited youth" include juvenile runaways,  
 212.4 truants, and victims of criminal sexual  
 212.5 conduct, prostitution, labor trafficking, sex  
 212.6 trafficking, domestic abuse, and assault. This  
 212.7 is a onetime appropriation.

212.8 By January 15, 2008, Ramsey County shall  
 212.9 report to the chairs and ranking minority  
 212.10 members of the senate and house committees  
 212.11 and divisions having jurisdiction over  
 212.12 criminal justice funding and policy on the  
 212.13 results of the pilot project.

212.14 (c) Human trafficking task force and plan -0- 75,000

212.15 To implement Minnesota Statutes, sections  
 212.16 299A.78 to 299A.7955, relating to the human  
 212.17 trafficking task force and plan. This is a  
 212.18 onetime appropriation.

212.19 (d) Legal advocacy trafficking victims -0- 60,000

212.20 For grants to three weekly clinics in  
 212.21 Hennepin County that are staffed by  
 212.22 attorneys from a nonprofit organization that  
 212.23 provides free legal services to immigrants.  
 212.24 This is a onetime appropriation.

212.25 (e) Toll-free hotline -0- 35,000

212.26 To implement the toll-free hotline for  
 212.27 trafficking victims described in Minnesota  
 212.28 Statutes, section 299A.7957. The base  
 212.29 budget for this activity is \$15,000 in fiscal  
 212.30 year 2008 and fiscal year 2009.

212.31 (f) Youth intervention programs -0- 200,000

- 213.1 For youth intervention programs under  
 213.2 Minnesota Statutes, section 299A.73.  
 213.3 This money must be used to help existing  
 213.4 programs serve unmet needs in communities  
 213.5 and to create new programs in underserved  
 213.6 areas of the state. This appropriation is added  
 213.7 to the program's base budget and is available  
 213.8 until spent.
- 213.9 (g) Crime victim support grant -0- 150,000
- 213.10 For a grant to a private, nonprofit  
 213.11 organization dedicated to providing  
 213.12 immediate and long-term emotional support  
 213.13 and practical help for the families and friends  
 213.14 of individuals who have died by homicide,  
 213.15 suicide, or accident. This is a onetime  
 213.16 appropriation.
- 213.17 (h) Minneapolis Security Collaborative -0- 180,000
- 213.18 For a grant to the city of Minneapolis. This  
 213.19 grant money is to be used by the Minneapolis  
 213.20 Police Department to expand the worksite  
 213.21 system throughout the city that supports the  
 213.22 downtown security collaborative currently in  
 213.23 use in the city's first precinct. The city shall  
 213.24 give the highest priority to expanding the  
 213.25 system to neighborhoods having the highest  
 213.26 crime rate per capita.
- 213.27 (i) Additional Minneapolis peace officers -0- 100,000
- 213.28 For a grant to the city of Minneapolis.  
 213.29 This grant money is to be used by the  
 213.30 Minneapolis Police Department to hire  
 213.31 additional peace officers to be assigned to  
 213.32 downtown Minneapolis.

214.1 The commissioner shall work with  
 214.2 the Bureau of Criminal Apprehension,  
 214.3 the State Patrol, the Hennepin County  
 214.4 Sheriff's Office, the Minneapolis Police  
 214.5 Department, and the Metro Transit Police,  
 214.6 in a collaborative manner to increase and  
 214.7 coordinate law enforcement efforts in  
 214.8 downtown Minneapolis.

214.9 (j) Financial Crimes Task Force 177,000 177,000

214.10 Sec. 6. CORRECTIONS

214.11 Subdivision 1. Total appropriation 3,213,000 3,830,000

214.12 These appropriations are added to the  
 214.13 appropriations in Laws 2005, chapter 136,  
 214.14 article 1, section 13. The amounts that may  
 214.15 be spent from these appropriations for each  
 214.16 program are specified in subdivisions 2 and  
 214.17 3.

214.18 Subd. 2. Correctional institutions 2,668,000 3,109,000

214.19 The commissioner may not cut correctional  
 214.20 officer positions. To the degree feasible,  
 214.21 the commissioner shall maintain chemical  
 214.22 dependency programs at or near current  
 214.23 levels. If cuts to chemical dependency  
 214.24 programs are necessary, the commissioner  
 214.25 shall attempt to preserve the state match for  
 214.26 federal funding.

214.27 Subd. 3. Community services

214.28 (a) General operations 545,000 -0-

214.29 (b) Mentoring program -0- 250,000

215.1 For a grant to a nonprofit organization that  
215.2 is located in the greater Twin Cities and  
215.3 provides one-to-one mentoring relationships  
215.4 to youth enrolled between the ages of seven  
215.5 to 13 whose parent or other significant  
215.6 family member is incarcerated in a county  
215.7 workhouse, county jail, state prison, or other  
215.8 type of correctional facility or is subject to  
215.9 correctional supervision. The grant must be  
215.10 used to provide children with adult mentors  
215.11 to strengthen developmental outcomes,  
215.12 including enhanced self-confidence and  
215.13 esteem; improved academic performance;  
215.14 and improved relationships with peers,  
215.15 family, and other adults designed to prevent  
215.16 the mentored youth from entering the  
215.17 juvenile justice system.

215.18 As a condition of receiving the grant, the  
215.19 grant recipient must:

215.20 (1) collaborate with other organizations  
215.21 that have a demonstrated history of  
215.22 providing services to youth and families in  
215.23 disadvantaged situations;

215.24 (2) implement procedures to ensure that the  
215.25 mentors pose no safety risk to the child and  
215.26 have the skills to participate in a mentoring  
215.27 relationship;

215.28 (3) provide enhanced training to mentors  
215.29 focusing on asset building and family  
215.30 dynamics when a parent is incarcerated; and

215.31 (4) provide individual family plan and  
215.32 aftercare.

215.33 The grant recipient must submit an evaluation  
215.34 plan to the commissioner delineating the  
215.35 program and student outcome goals and

216.1 activities implemented to achieve the stated  
 216.2 outcomes. The goals must be clearly stated  
 216.3 and measurable. The grant recipient must  
 216.4 collect, analyze, and report on participation  
 216.5 and outcome data that enable the department  
 216.6 to verify that the program goals were met.

216.7 (c) Scott County -0- 196,000

216.8 To increase the Community Corrections Act  
 216.9 subsidy for the addition of Scott County.  
 216.10 The money must be distributed according  
 216.11 to the community corrections aid formula  
 216.12 contained in Minnesota Statutes, section  
 216.13 401.10.

216.14 (d) Discharge planning -0- 200,000

216.15 For discharge planning for inmates with  
 216.16 mental illness.

216.17 (e) Immigration specialist -0- 75,000

216.18 For a departmental immigration specialist to  
 216.19 serve as a statewide resource for counties  
 216.20 with noncitizens convicted of criminal  
 216.21 offenses. The specialist shall provide  
 216.22 information on, and actively seek, any  
 216.23 federal reimbursement programs that provide  
 216.24 funding to states and localities for both the  
 216.25 direct costs under the state criminal alien  
 216.26 assistance program and indirect costs related  
 216.27 to the incarceration of noncitizens convicted  
 216.28 of criminal offenses.

216.29 **Sec. 7. PEACE OFFICER STANDARDS**  
 216.30 **AND TRAINING BOARD (POST)**

216.31 The board shall conduct a training audit of its  
 216.32 practitioners, including chiefs of police and

217.1 county sheriffs, to determine what training  
 217.2 is currently offered, what new training is  
 217.3 necessary, and how it should be implemented.  
 217.4 Training topics shall include the policing of  
 217.5 immigrant communities and racial profiling.

217.6 Sec. 8. Laws 2005, chapter 136, article 1, section 10, is amended to read:

217.7	<b>Sec. 10. PEACE OFFICER STANDARDS</b>		<del>4,014,000</del>
217.8	<b>AND TRAINING BOARD (POST)</b>	4,154,000	<u>4,214,000</u>

217.9 **EXCESS AMOUNTS TRANSFERRED.**

217.10 This appropriation is from the peace officer  
 217.11 training account in the special revenue fund.  
 217.12 Any new receipts credited to that account in  
 217.13 the first year in excess of \$4,154,000 must be  
 217.14 transferred and credited to the general fund.  
 217.15 Any new receipts credited to that account  
 217.16 in the second year in excess of ~~\$4,014,000~~  
 217.17 \$4,214,000 must be transferred and credited  
 217.18 to the general fund.

217.19 **TECHNOLOGY IMPROVEMENTS.**

217.20 \$140,000 the first year is for technology  
 217.21 improvements.

217.22 **PEACE OFFICER TRAINING**

217.23 **REIMBURSEMENT. \$2,909,000 each the**  
 217.24 **first year and \$3,109,000 the second year is**  
 217.25 **for reimbursements to local governments for**  
 217.26 **peace officer training costs.**

217.27 Sec. 9. Laws 2005, chapter 136, article 1, section 13, subdivision 3, is amended to read:

217.28	<b>Subd. 3. Community Services</b>	103,556,000	103,369,000
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217.29 **Summary by Fund**

217.30	General Fund	103,456,000	103,269,000
217.31	Special Revenue	100,000	100,000

218.1 **SHORT-TERM OFFENDERS. \$1,207,000**  
218.2 each year is for costs associated with the  
218.3 housing and care of short-term offenders.  
218.4 The commissioner may use up to 20 percent  
218.5 of the total amount of the appropriation  
218.6 for inpatient medical care for short-term  
218.7 offenders with less than six months to  
218.8 serve as affected by the changes made to  
218.9 Minnesota Statutes, section 609.105, in  
218.10 2003. All funds remaining at the end of  
218.11 the fiscal year not expended for inpatient  
218.12 medical care shall be added to and distributed  
218.13 with the housing funds. These funds shall  
218.14 be distributed proportionately based on the  
218.15 total number of days short-term offenders are  
218.16 placed locally, not to exceed \$70 per day.  
218.17 Short-term offenders may be housed in a  
218.18 state correctional facility at the discretion of  
218.19 the commissioner.

218.20 The Department of Corrections is exempt  
218.21 from the state contracting process for the  
218.22 purposes of Minnesota Statutes, section  
218.23 609.105, as amended by Laws 2003, First  
218.24 Special Session chapter 2, article 5, sections  
218.25 7 to 9.

218.26 **GPS MONITORING OF SEX**  
218.27 **OFFENDERS. \$500,000 the first**  
218.28 year and \$162,000 the second year are for the  
218.29 acquisition and service of bracelets equipped  
218.30 with tracking devices designed to track  
218.31 and monitor the movement and location of  
218.32 criminal offenders. The commissioner shall  
218.33 use the bracelets to monitor high-risk sex  
218.34 offenders who are on supervised release,  
218.35 conditional release, parole, or probation to

219.1 help ensure that the offenders do not violate  
219.2 conditions of their release or probation.

219.3 **END OF CONFINEMENT REVIEWS.**

219.4 \$94,000 each year is for end of confinement  
219.5 reviews.

219.6 **COMMUNITY SURVEILLANCE AND**

219.7 **SUPERVISION.** \$1,370,000 each year is  
219.8 to provide housing options to maximize  
219.9 community surveillance and supervision.

219.10 **INCREASE IN INTENSIVE**

219.11 **SUPERVISED RELEASE SERVICES.**

219.12 \$1,800,000 each year is to increase intensive  
219.13 supervised release services.

219.14 **SEX OFFENDER ASSESSMENT**

219.15 **REIMBURSEMENTS.** \$350,000 each year

219.16 is to ~~provide grants to~~ reimburse counties or  
219.17 their designees, or courts for reimbursements  
219.18 ~~for~~ sex offender assessments as required  
219.19 under Minnesota Statutes, section 609.3452,  
219.20 subdivision 1, which is being renumbered as  
219.21 section 609.3457.

219.22 **SEX OFFENDER TREATMENT AND**

219.23 **POLYGRAPHS.** \$1,250,000 each year

219.24 is to provide treatment for sex offenders  
219.25 on community supervision and to pay for  
219.26 polygraph testing.

219.27 **INCREASED SUPERVISION OF SEX**

219.28 **OFFENDERS, DOMESTIC VIOLENCE**

219.29 **OFFENDERS, AND OTHER VIOLENT**

219.30 **OFFENDERS.** \$1,500,000 each year is for

219.31 the increased supervision of sex offenders

219.32 and other violent offenders, including

219.33 those convicted of domestic abuse. These

219.34 appropriations may not be used to supplant



220.1 existing state or county probation officer  
220.2 positions.

220.3 The commissioner shall distribute \$1,050,000  
220.4 in grants each year to Community Corrections  
220.5 Act counties and \$450,000 each year to the  
220.6 Department of Corrections Probation and  
220.7 Supervised Release Unit. The commissioner  
220.8 shall distribute the funds to the Community  
220.9 Corrections Act counties according to the  
220.10 formula contained in Minnesota Statutes,  
220.11 section 401.10.

220.12 Prior to the distribution of these funds, each  
220.13 Community Corrections Act jurisdiction and  
220.14 the Department of Corrections Probation  
220.15 and Supervised Release Unit shall submit  
220.16 to the commissioner an analysis of need  
220.17 along with a plan to meet their needs and  
220.18 reduce the number of sex offenders and other  
220.19 violent offenders, including domestic abuse  
220.20 offenders, on probation officer caseloads.

220.21 **COUNTY PROBATION OFFICERS.**

220.22 \$500,000 each year is to increase county  
220.23 probation officer reimbursements.

220.24 **INTENSIVE SUPERVISION AND**  
220.25 **AFTERCARE FOR CONTROLLED**  
220.26 **SUBSTANCES OFFENDERS; REPORT.**

220.27 \$600,000 each year is for intensive  
220.28 supervision and aftercare services for  
220.29 controlled substances offenders released  
220.30 from prison under Minnesota Statutes,  
220.31 section 244.055. These appropriations are  
220.32 not added to the department's base budget.  
220.33 By January 15, 2008, the commissioner  
220.34 shall report to the chairs and ranking  
220.35 minority members of the senate and house

221.1 of representatives committees and divisions  
 221.2 having jurisdiction over criminal justice  
 221.3 policy and funding on how this appropriation  
 221.4 was spent.

221.5 **REPORT ON ELECTRONIC**  
 221.6 **MONITORING OF SEX OFFENDERS.**

221.7 By March 1, 2006, the commissioner shall  
 221.8 report to the chairs and ranking minority  
 221.9 members of the senate and house of  
 221.10 representatives committees and divisions  
 221.11 having jurisdiction over criminal justice  
 221.12 policy and funding on implementing an  
 221.13 electronic monitoring system for sex  
 221.14 offenders who are under community  
 221.15 supervision. The report must address the  
 221.16 following:

- 221.17 (1) the advantages and disadvantages in
- 221.18 implementing this system, including the
- 221.19 impact on public safety;
- 221.20 (2) the types of sex offenders who should be
- 221.21 subject to the monitoring;
- 221.22 (3) the time period that offenders should be
- 221.23 subject to the monitoring;
- 221.24 (4) the financial costs associated with the
- 221.25 monitoring and who should be responsible
- 221.26 for these costs; and
- 221.27 (5) the technology available for the
- 221.28 monitoring.

221.29 Sec. 10. Minnesota Statutes 2004, section 13.6905, is amended by adding a subdivision  
 221.30 to read:

221.31 Subd. 1a. Facility security assessments and plans. Hazardous substance or oil  
 221.32 facility security assessments and plans are classified under section 115E.04, subdivision  
 221.33 4b.

222.1 **EFFECTIVE DATE.** This section is effective July 1, 2006.

222.2 Sec. 11. Minnesota Statutes 2004, section 115E.01, subdivision 5, is amended to read:

222.3 Subd. 5. **Facility.** "Facility" means a structure, group of structures, equipment,  
222.4 or device, other than a vessel, that is used for one or more of the following purposes:  
222.5 exploring for, drilling for, producing, storing, handling, transferring, processing, or  
222.6 transporting oil or a hazardous substance. Facility includes a motor vehicle, rolling stock,  
222.7 or pipeline used for one or more of these purposes. Facility also includes a research and  
222.8 development laboratory, which means a specially designated area used primarily for  
222.9 research, development, and testing activity and not primarily involved in the production of  
222.10 goods for commercial sale. A facility may be in, on, or under land, or in, on, or under  
222.11 waters of the state as defined in section 115.01, subdivision 22.

222.12 **EFFECTIVE DATE.** This section is effective July 1, 2006.

222.13 Sec. 12. Minnesota Statutes 2004, section 115E.01, subdivision 6, is amended to read:

222.14 Subd. 6. **Hazardous substance.** "Hazardous substance" has the meaning given  
222.15 in section 115B.02, subdivision 8. In addition, hazardous substance includes the  
222.16 substances listed under section 112r of the Clean Air Act, as provided by Code of Federal  
222.17 Regulations, title 40, part 68.

222.18 **EFFECTIVE DATE.** This section is effective July 1, 2006.

222.19 Sec. 13. Minnesota Statutes 2004, section 115E.01, subdivision 7, is amended to read:

222.20 Subd. 7. **Lead agency.** "Lead agency" means:  
222.21 (1) the Department of Agriculture, with respect to agricultural chemicals; ~~or~~  
222.22 (2) the Pollution Control Agency, for other hazardous substances or oil; or  
222.23 (3) the Department of Public Safety, with respect to the security planning and  
222.24 security measures.

222.25 **EFFECTIVE DATE.** This section is effective July 1, 2006.

222.26 Sec. 14. Minnesota Statutes 2004, section 115E.01, is amended by adding a subdivision  
222.27 to read:

222.28 Subd. 11d. **Security measure.** "Security measure" means an action carried out to  
222.29 increase the security of a facility, including employee training and background checks,  
222.30 limitation and prevention of access to controls of the facility, protection of the perimeter

223.1 of the facility, installation and operation of an intrusion detection sensor, or a measure to  
 223.2 increase computer or computer network security.

223.3 **EFFECTIVE DATE.** This section is effective July 1, 2006.

223.4 Sec. 15. Minnesota Statutes 2004, section 115E.01, is amended by adding a subdivision  
 223.5 to read:

223.6 **Subd. 11e. Use of inherently safer technology.** "Use of inherently safer  
 223.7 technology" means the use of a technology, product, raw material, or practice that, as  
 223.8 compared with the technologies, products, raw materials, or practices currently in use,  
 223.9 reduces or eliminates the possibility of a release, and reduces or eliminates the threats to the  
 223.10 public health or safety and environment associated with the release or threatened release.

3.11 **EFFECTIVE DATE.** This section is effective July 1, 2006.

223.12 Sec. 16. Minnesota Statutes 2004, section 115E.01, subdivision 13, is amended to read:

223.13 **Subd. 13. Worst case discharge.** "Worst case discharge" means:

223.14 (1) in the case of a vessel, sudden loss of the entire contents of the vessel in weather  
 223.15 conditions that impede cleanup;

223.16 (2) for each tank of a storage tank facility, sudden loss of the entire contents of the  
 223.17 tank in weather conditions that impede cleanup;

223.18 (3) in the case of railroad rolling stock facilities, sudden loss of the contents of the  
 223.19 maximum expected number of the rail cars containing oil or hazardous substance of a train  
 223.20 onto land or into water in weather conditions that impede cleanup;

223.21 (4) in the case of truck and trailer rolling stock facilities, sudden loss of the entire  
 223.22 contents of the truck or trailer onto land or into water in weather conditions that impede  
 223.23 cleanup;

223.24 (5) in the case of a pipeline facility, sudden loss of the contents of the pipeline  
 223.25 which would be expected from complete failure of the pipeline onto land or into water in  
 223.26 weather conditions that impede cleanup;

223.27 (6) in the case of oil or hazardous substance transfer facilities, sudden loss of the  
 223.28 largest volume which could occur during transfer into or out of a facility; ~~or~~

223.29 (7) in the case of a facility with more than the threshold quantity of any substance  
 223.30 listed in Code of Federal Regulations, title 40, part 68, under section 112r of the Clean  
 223.31 Air Act, on the property at any point in the year, sudden loss of the maximum expected  
 223.32 inventory of the substances; or

224.1 (8) the worst case discharge for the facility as described by regulations under the  
224.2 Oil Pollution Act of 1990 if the regulations, when adopted, describe a discharge worse  
224.3 than one described in clauses (1) to ~~(6)~~ (7).

224.4 **EFFECTIVE DATE.** This section is effective July 1, 2006.

224.5 Sec. 17. **[115E.025] DUTY TO SECURE FACILITIES.**

224.6 Subdivision 1. General security. A person who owns or operates a vessel or  
224.7 facility transporting, storing, or otherwise handling hazardous substances or oil, or who  
224.8 is otherwise in control of hazardous substances or oil, shall take reasonable security  
224.9 measures to prevent the unauthorized access of persons to the facilities or to the control  
224.10 mechanisms of the facilities.

224.11 Subd. 2. Specific security measures. The following persons shall comply with the  
224.12 specific requirements of section 115E.04, subdivision 1a:

224.13 (1) persons who own or operate facilities subject to Code of Federal Regulations,  
224.14 title 40, part 68, under section 112r of the Clean Air Act, except for retail facilities at  
224.15 which more than one-half of the income is obtained from direct sales of ammonia or  
224.16 propane to end users; and

224.17 (2) persons who own or operate facilities containing 1,000,000 gallons or more of  
224.18 oil or hazardous substance in tank storage at any time.

224.19 **EFFECTIVE DATE.** This section is effective July 1, 2006.

224.20 Sec. 18. Minnesota Statutes 2004, section 115E.04, is amended by adding a subdivision  
224.21 to read:

224.22 Subd. 1a. Security plan. Persons required to show specific security measures  
224.23 under section 115E.025, subdivision 2, shall prepare and maintain a facility security  
224.24 plan. The security plan must be completed in consultation with local law enforcement  
224.25 agencies. The security plan must:

224.26 (1) summarize the methods used and results of an assessment of vulnerability of  
224.27 the facility to a terrorist attack or other unauthorized entry and release, the expertise  
224.28 and affiliation of the evaluators, and any direct or indirect relationship between the  
224.29 vulnerability evaluators and the owner or operator of the facility;

224.30 (2) provide an inventory of the hazardous substance or oil subject to the security  
224.31 plan, with ranges of the quantity of each substance expected to be in the facility and  
224.32 entering and leaving the facility during the course of a year;

225.1 (3) assess the use of inherently safer technology in reducing or eliminating the  
225.2 vulnerability of the facility and the possibility of an unauthorized release;

225.3 (4) describe actions and procedures, including safer design and maintenance of  
225.4 the facility, use of inherently safer technology, and all appropriate security measures  
225.5 undertaken to eliminate or significantly lessen the vulnerability to an unauthorized entry to  
225.6 the facility or an unauthorized release of oil or a hazardous substance; and

225.7 (5) list the names of all insurance carriers underwriting the facility's environmental  
225.8 liability and workers' compensation insurance policies and the scope of the policies,  
225.9 including any limitations and exclusions.

225.10 A plan submitted to the federal government under the Oil Pollution Act of 1990 or  
225.11 prepared under any other law may be used to satisfy the security plan requirement, if the  
225.12 information required by this subdivision is included in the plan. A community water  
225.13 system vulnerability assessment and emergency response plan prepared under the Public  
225.14 Health Security and Bioterrorism Preparedness and Response Act of 2002 may be used  
225.15 to satisfy the security plan requirement.

225.16 **EFFECTIVE DATE.** This section is effective July 1, 2006.

225.17 Sec. 19. Minnesota Statutes 2004, section 115E.04, subdivision 2, is amended to read:

225.18 Subd. 2. **Timing.** (a) A person required to be prepared under section 115E.03, other  
225.19 than a person who owns or operates a motor vehicle, rolling stock, or a facility that stores  
225.20 less than 250,000 gallons of oil or a hazardous substance, shall complete the response plan  
225.21 required by this section by March 1, 1993, unless one of the commissioners orders the  
225.22 person to demonstrate preparedness at an earlier date under section 115E.05.

225.23 (b) A person who owns or operates a motor vehicle, rolling stock, or a facility  
225.24 that stores less than 250,000 gallons of oil or a hazardous substance shall complete the  
225.25 response plan required by this section by January 1, 1994.

225.26 (c) A person required to prepare a security plan shall complete it within 90 days of  
225.27 the effective date of this section. The security plan must be amended following significant  
225.28 change in the security measures, vulnerability, or presence of hazardous substances on  
225.29 the facility.

225.30 (d) Plans required under section 115E.04 or 115E.045 must be updated every three  
225.31 years. Plans must be updated before three years following a significant discharge, upon  
225.32 significant change in vessel or facility operation or ownership, upon significant change in  
225.33 the national or area contingency plans under the Oil Pollution Act of 1990, or upon change  
225.34 in the capabilities or role of a person named in a plan who has an important response role.

226.1 **EFFECTIVE DATE.** This section is effective July 1, 2006.

226.2 Sec. 20. Minnesota Statutes 2004, section 115E.04, is amended by adding a subdivision  
226.3 to read:

226.4 Subd. 4a. **Review of security plans.** (a) A person required to complete a security  
226.5 plan under section 115E.025, subdivision 2, must submit a copy of the security plan to the  
226.6 commissioner of public safety within five business days of its completion.

226.7 (b) The commissioner of public safety or a person authorized by the commissioner  
226.8 must be granted access to the facility for the purpose of inspecting security measures.

226.9 (c) Upon the request of the commissioner of public safety or a person authorized  
226.10 by the commissioner, a person shall demonstrate the adequacy of the security plan and  
226.11 security measures by conducting announced or unannounced drills, calling persons and  
226.12 organizations named in a security plan and verifying roles and capabilities, locating and  
226.13 testing security measure procedures or equipment, questioning facility personnel, or other  
226.14 means that in the judgment of the commissioner or sheriff demonstrate security. Before  
226.15 requesting an unannounced security drill, the commissioner of public safety or authorized  
226.16 person shall invite the county sheriff to participate in or witness the drill. If an announced  
226.17 drill is conducted to the satisfaction of the commissioner, the person conducting the  
226.18 security drill may not be required to conduct an additional unannounced security drill in  
226.19 the same calendar year.

226.20 **EFFECTIVE DATE.** This section is effective July 1, 2006.

226.21 Sec. 21. Minnesota Statutes 2004, section 115E.04, is amended by adding a subdivision  
226.22 to read:

226.23 Subd. 4b. **Data.** Assessments and plans prepared under this section and material  
226.24 specifically related to preparation, review, or approval of a plan are nonpublic data as  
226.25 defined in section 13.02, except that the data may be provided to law enforcement,  
226.26 firefighters, members of the National Guard, or other representatives of a government  
226.27 entity responding to a request for services at a facility that is the subject of the assessment  
226.28 and plan.

226.29 **EFFECTIVE DATE.** This section is effective July 1, 2006.

226.30 Sec. 22. Minnesota Statutes 2004, section 115E.05, subdivision 1, is amended to read:

226.31 Subdivision 1. **Amendment to plan.** If one or more of the commissioners finds  
226.32 the prevention and response plans or preparedness measures of a person do not meet the

227.1 requirements of this chapter, or if the commissioner of public safety finds that the security  
 227.2 plan does not meet the requirements of this chapter, the commissioner or commissioners  
 227.3 making the finding may by order require that reasonable amendments to the plan or  
 227.4 reasonable additional preventive ~~or~~ preparedness, or security measures be implemented  
 227.5 in a timely fashion. If more than one commissioner makes the finding, the order must  
 227.6 be a joint order.

227.7 **EFFECTIVE DATE.** This section is effective July 1, 2006.

227.8 Sec. 23. Minnesota Statutes 2004, section 115E.05, subdivision 2, is amended to read:

227.9 Subd. 2. **Compliance.** If oil or a hazardous substance is discharged while it is under  
 227.10 the control of a person not identified in section 115E.025 or 115E.03, subdivision 2, any  
 227.11 one of the commissioners with appropriate jurisdiction may by order require the person to  
 227.12 comply with the prevention and response plan or security plan requirements of sections  
 227.13 115E.03 and 115E.04 in a timely manner if:

- 227.14 (1) land, water, or air of the state is polluted or threatened; or
- 227.15 (2) human life, safety, health, natural resources, or property is damaged or threatened.

227.16 **EFFECTIVE DATE.** This section is effective July 1, 2006.

227.17 Sec. 24. Minnesota Statutes 2004, section 115E.08, subdivision 3, is amended to read:

227.18 Subd. 3. **Jurisdiction.** Except as otherwise provided, the following agencies have  
 227.19 primary responsibility for the specified areas in carrying out the duties and authorities  
 227.20 of this chapter:

- 227.21 (1) the Department of Agriculture, for agricultural chemicals;
- 227.22 (2) the Department of Public Safety, for public safety ~~and~~ protection of property,  
 227.23 and security measures;
- 227.24 (3) the Department of Natural Resources, for assessment and rehabilitation of water  
 227.25 resources;
- 227.26 (4) the Pollution Control Agency, for all other matters subject to this chapter; and
- 227.27 (5) the Department of Transportation, with respect to requirements related to the  
 227.28 packaging, labeling, placarding, routing, and written reporting on releases of hazardous  
 227.29 materials that are being transported.

7.30 **EFFECTIVE DATE.** This section is effective July 1, 2006.



228.1 Sec. 25. Minnesota Statutes 2005 Supplement, section 299A.78, is amended to read:

228.2 **299A.78 STATEWIDE HUMAN TRAFFICKING ASSESSMENT.**

228.3 Subdivision 1. **Definitions.** For purposes of sections 299A.78 to ~~299A.785~~  
228.4 299A.7955, the following definitions apply:

228.5 (a) "Commissioner" means the commissioner of the Department of Public Safety.

228.6 (b) "Nongovernmental organizations" means nonprofit, nongovernmental  
228.7 organizations that provide legal, social, or other community services.

228.8 (c) "Blackmail" has the meaning given in section 609.281, subdivision 2.

228.9 (d) "Debt bondage" has the meaning given in section 609.281, subdivision 3.

228.10 (e) "Forced labor or services" has the meaning given in section 609.281, subdivision  
228.11 4.

228.12 (f) "Labor trafficking" has the meaning given in section 609.281, subdivision 5.

228.13 (g) "Labor trafficking victim" has the meaning given in section 609.281, subdivision  
228.14 6.

228.15 (h) "Sex trafficking" has the meaning given in section 609.321, subdivision 7a.

228.16 (i) "Sex trafficking victim" has the meaning given in section 609.321, subdivision 7b.

228.17 (j) "Trafficking" includes "labor trafficking" and "sex trafficking."

228.18 (k) "Trafficking victim" includes "labor trafficking victim" and "sex trafficking  
228.19 victim."

228.20 Subd. 2. **General duties.** The commissioner of public safety, in cooperation with  
228.21 local authorities, shall:

228.22 (1) collect, share, and compile trafficking data among government agencies to assess  
228.23 the nature and extent of trafficking in Minnesota; and

228.24 (2) analyze the collected data to develop a plan to address and prevent human  
228.25 trafficking.

228.26 Subd. 3. **Outside services.** As provided for in section 15.061, the commissioner of  
228.27 public safety may contract with professional or technical services in connection with the  
228.28 duties to be performed under ~~section~~ sections 299A.785, 299A.79, and 299A.795. The  
228.29 commissioner may also contract with other outside organizations to assist with the duties  
228.30 to be performed under ~~section~~ sections 299A.785, 299A.79, and 299A.795.

228.31 **EFFECTIVE DATE.** This section is effective July 1, 2006.

228.32 Sec. 26. **[299A.79] TRAFFICKING STUDY; ANALYSIS AND USE OF DATA.**

228.33 Subdivision 1. **Data analysis.** The commissioner shall analyze the data collected  
228.34 in section 299A.785 to develop a plan to address current trafficking and prevent future

229.1 trafficking in this state. The commissioner may evaluate various approaches used by  
 229.2 other state and local governments to address trafficking. The plan must include, but not  
 229.3 be limited to:

229.4 (1) ways to train agencies, organizations, and officials involved in law enforcement,  
 229.5 prosecution, and social services;

229.6 (2) ways to increase public awareness of trafficking; and

229.7 (3) procedures to enable the state government to work with nongovernmental  
 229.8 organizations to prevent trafficking.

229.9 Subd. 2. Training plan. The training plan required in subdivision 1 must include:

229.10 (1) methods used in identifying trafficking victims, including preliminary interview  
 229.11 techniques and appropriate interrogation methods;

229.12 (2) methods for prosecuting traffickers;

229.13 (3) methods for protecting the rights of trafficking victims, taking into account  
 229.14 the need to consider human rights and special needs of women and children trafficking  
 229.15 victims; and

229.16 (4) methods for promoting the safety of trafficking victims.

229.17 Subd. 3. Public awareness initiative. The public awareness initiative required in  
 229.18 subdivision 1 must address, at a minimum, the following subjects:

229.19 (1) the risks of becoming a trafficking victim;

229.20 (2) common recruitment techniques; use of debt bondage, blackmail, forced labor  
 229.21 and services, prostitution, and other coercive tactics; and risks of assault, criminal sexual  
 229.22 conduct, exposure to sexually transmitted diseases, and psychological harm;

229.23 (3) crime victims' rights; and

229.24 (4) reporting recruitment activities involved in trafficking.

229.25 Subd. 4. Report to legislature. The commissioner shall report the plan to the chairs  
 229.26 and ranking minority members of the senate and house committees and divisions having  
 229.27 jurisdiction over criminal justice policy and funding by December 15, 2006.

229.28 EFFECTIVE DATE. This section is effective July 1, 2006.

229.29 Sec. 27. [299A.795] TRAFFICKING VICTIM ASSISTANCE.

229.30 The commissioner may review the existing services and facilities to meet trafficking  
 229.31 victims' needs and recommend a plan that would coordinate the services including, but  
 229.32 not limited to:

229.33 (1) medical and mental health services;

229.34 (2) housing;

229.35 (3) education and job training;

- 230.1 (4) English as a second language;  
230.2 (5) interpreting services;  
230.3 (6) legal and immigration services; and  
230.4 (7) victim compensation.

230.5 **EFFECTIVE DATE.** This section is effective July 1, 2006.

230.6 **Sec. 28. [299A.7955] HUMAN TRAFFICKING TASK FORCE.**

230.7 Subdivision 1. **Creation and duties.** By September 1, 2006, the commissioner shall  
230.8 appoint a 22-member task force on human trafficking to advise the commissioner on the  
230.9 commissioner's duties in sections 299A.78 to 299A.795. The task force shall also serve as  
230.10 a liaison between the commissioner and agencies and nongovernmental organizations that  
230.11 provide services to trafficking victims. The members must receive expense reimbursement  
230.12 as specified in section 15.059.

230.13 Subd. 2. **Membership.** To the extent possible, the human trafficking task force  
230.14 consists of the following individuals, or their designees, who are knowledgeable in  
230.15 trafficking, crime victims' rights, or violence protection:

- 230.16 (1) a representative of the Minnesota Chiefs of Police Association;  
230.17 (2) a representative of the Bureau of Criminal Apprehension;  
230.18 (3) a representative of the Minnesota Sheriffs' Association;  
230.19 (4) a peace officer who works and resides in the metropolitan area, composed of  
230.20 Hennepin, Ramsey, Anoka, Dakota, Scott, Washington, and Carver Counties;  
230.21 (5) a peace officer who works and resides in the nonmetropolitan area;  
230.22 (6) a county attorney who works in Hennepin County;  
230.23 (7) a county attorney who works in Ramsey County;  
230.24 (8) a representative of the attorney general's office;  
230.25 (9) a representative of the Department of Public Safety's office of justice program;  
230.26 (10) a representative of the federal Homeland Security Department;  
230.27 (11) a representative of the Department of Health and Human Services;  
230.28 (12) the chair or executive director of the Council on Asian-Pacific Minnesotans;  
230.29 (13) the chair or executive director of the Minnesota Chicano-Latino Affairs Council;  
230.30 (14) a representative of the United States Attorney's Office; and  
230.31 (15) eight representatives from nongovernmental organizations, which may include  
230.32 representatives of:  
230.33 (i) the Minnesota Coalition for Battered Women;  
230.34 (ii) the Minnesota Coalition Against Sexual Assault;

231.1 (iii) a statewide or local organization that provides civil legal services to women  
 231.2 and children;

231.3 (iv) a statewide or local organization that provides mental health services to women  
 231.4 and children;

231.5 (v) a statewide or local human rights and social justice advocacy organization;

231.6 (vi) a statewide or local organization that provides services to victims of torture,  
 231.7 trauma, or human trafficking;

231.8 (vii) a statewide or local organization that serves the needs of immigrants and  
 231.9 refugee women and children from diverse ethnic communities; and

231.10 (viii) a statewide or local organization that provides legal services to low-income  
 231.11 immigrants.

231.12 Subd. 3. Officers; meetings. (a) The task force shall annually elect a chair and  
 231.13 vice-chair from among its members, and may elect other officers as necessary. The task  
 231.14 force shall meet at least quarterly, or upon the call of its chair. The task force shall meet  
 231.15 sufficiently enough to accomplish the tasks identified in this section.

231.16 (b) The task force shall seek out and enlist the cooperation and assistance of  
 231.17 nongovernmental organizations and academic researchers, especially those specializing in  
 231.18 trafficking, representing diverse communities disproportionately affected by trafficking, or  
 231.19 focusing on child services and runaway services.

231.20 Subd. 4. Expiration. Notwithstanding section 15.059, the task force expires June  
 231.21 30, 2011, or once it has implemented and evaluated the programs and policies in sections  
 231.22 299A.78 to 299A.795 to the satisfaction of the commissioner, whichever occurs first.

231.23 **EFFECTIVE DATE.** This section is effective July 1, 2006.

231.24 Sec. 29. [299A.7957] TOLL-FREE HOTLINE FOR TRAFFICKING VICTIMS.

231.25 (a) As used in this section, "trafficking victim" has the meaning given in section  
 231.26 299A.78, subdivision 1.

231.27 (b) The commissioner of public safety shall contract with a nonprofit organization  
 231.28 that provides legal services to domestic and international trafficking victims to maintain a  
 231.29 toll-free telephone hotline for trafficking victims.

231.30 The hotline must be in place by January 1, 2007, and must be operated 24 hours  
 231.31 a day, 365 days a year. The hotline must offer language interpreters for languages  
 32 commonly spoken in Minnesota, including, but not limited to, Spanish, Vietnamese,  
 231.33 Hmong, and Somali. At a minimum, the hotline must screen trafficking victims, both  
 231.34 domestic and international, and provide appropriate referrals to attorneys and victims'  
 231.35 services organizations.

232.1 **EFFECTIVE DATE.** This section is effective July 1, 2006.

232.2 Sec. 30. Minnesota Statutes 2004, section 488A.03, subdivision 6, is amended to read:

232.3 Subd. 6. **Disposition of fines, fees and other money; accounts.** (a) Except as  
232.4 otherwise provided ~~herein~~ within this subdivision and except as otherwise provided by law,  
232.5 the court administrator shall pay ~~to the Hennepin county treasurer~~ all fines and penalties  
232.6 collected by the court administrator, all fees collected by the court administrator for court  
232.7 administrator's services, all sums forfeited to the court as ~~hereinafter~~ provided in this  
232.8 subdivision, and all other money received by the court administrator: to the subdivision  
232.9 of government entitled to it as follows on or before the 20th day after the last day of  
232.10 the month in which the money was collected. Eighty percent of all fines and penalties  
232.11 collected during the previous month shall be paid to the treasurer of the municipality or  
232.12 subdivision of government where the crime was committed. The remainder of the fines  
232.13 and penalties shall be credited to the general fund of the state. In all cases in which the  
232.14 county attorney had charge of the prosecution, all fines and penalties shall be credited  
232.15 to the state general fund.

232.16 (b) The court administrator shall ~~provide the county treasurer with~~ identify the name  
232.17 of the municipality or other subdivision of government where the offense was committed  
232.18 ~~and the name and official position of the officer who prosecuted the offense for each fine~~  
232.19 ~~or penalty~~; and the total amount of fines or penalties collected for each ~~such~~ municipality  
232.20 or other subdivision of government, ~~or for the county, or for the state.~~

232.21 ~~(c) At the beginning of the first day of any month the amount owing to any~~  
232.22 ~~municipality or county in the hands of the court administrator shall not exceed \$5,000.~~

232.23 ~~(d) On or before the last day of each month the county treasurer shall pay over to~~  
232.24 ~~the treasurer of each municipality or subdivision of government in Hennepin County all~~  
232.25 ~~fines or penalties collected during the previous month for offenses committed within~~  
232.26 ~~such municipality or subdivision of government, except that all such fines and penalties~~  
232.27 ~~attributable to cases in which the county attorney had charge of the prosecution shall be~~  
232.28 ~~retained by the county treasurer and credited to the county general revenue fund.~~

232.29 ~~(e)~~ (c) Amounts represented by checks issued by the court administrator or received  
232.30 by the court administrator which have not cleared by the end of the month may be shown  
232.31 on the monthly account as having been paid or received, subject to adjustment on later  
232.32 monthly accounts.

232.33 ~~(f)~~ (d) The court administrator may receive negotiable instruments in payment  
232.34 of fines, penalties, fees or other obligations as conditional payments, and is not held

233.1 accountable ~~therefor~~ for this until collection in cash is made and then only to the extent of  
233.2 the net collection after deduction of the necessary expense of collection.

233.3 EFFECTIVE DATE. This section is effective July 1, 2006.

233.4 Sec. 31. Minnesota Statutes 2004, section 488A.03, subdivision 11, is amended to read:

233.5 Subd. 11. **Fees payable to administrator.** (a) The civil fees payable to the  
233.6 administrator for services are the same in amount as the fees then payable to the District  
233.7 Court of Hennepin County for like services. Library and filing fees are not required of  
233.8 the defendant in an eviction action. The fees payable to the administrator for all other  
233.9 services of the administrator or the court shall be fixed by rules promulgated by a majority  
233.10 of the judges.

233.11 (b) Fees are payable to the administrator in advance.

233.12 (c) Judgments will be entered only upon written application.

233.13 ~~(d) The following fees shall be taxed for all charges filed in court where applicable:~~

233.14 ~~(a) The state of Minnesota and any governmental subdivision within the jurisdictional area~~  
233.15 ~~of any district court herein established may present cases for hearing before said district~~  
233.16 ~~court; (b) In the event the court takes jurisdiction of a prosecution for the violation of a~~  
233.17 ~~statute or ordinance by the state or a governmental subdivision other than a city or town~~  
233.18 ~~in Hennepin County, all fines, penalties, and forfeitures collected shall be paid over to~~  
233.19 ~~the treasurer of the governmental subdivision which submitted charges for prosecution~~  
233.20 ~~under ordinance violation and to the county treasurer in all other charges except where~~  
233.21 ~~a different disposition is provided by law, in which case, payment shall be made to~~  
233.22 ~~the public official entitled thereto. The following fees shall be taxed to the county or~~  
233.23 ~~to the state or governmental subdivision which would be entitled to payment of the~~  
233.24 ~~fines, forfeiture or penalties in any case, and shall be paid to the court administrator for~~  
233.25 ~~disposing of the matter:~~

233.26 ~~(1) For each charge where the defendant is brought into court and pleads guilty and~~  
233.27 ~~is sentenced, or the matter is otherwise disposed of without trial ..... \$5.~~

233.28 ~~(2) In arraignments where the defendant waives a preliminary examination .....~~   
233.29 ~~\$10.~~

233.30 ~~(3) For all other charges where the defendant stands trial or has a preliminary~~  
233.31 ~~examination by the court ..... \$15.~~

233.32 (e) ~~This paragraph applies to the distribution of fines paid by defendants without a~~  
233.33 ~~court appearance in response to a citation. On or before the tenth day after the last day of~~  
233.34 ~~the month in which the money was collected, the county treasurer shall pay 80 percent~~  
233.35 ~~of the fines to the treasurer of the municipality or subdivision within the county where~~

234.1 ~~the violation was committed. The remainder of the fines shall be credited to the general~~  
234.2 ~~revenue fund of the county.~~

234.3 EFFECTIVE DATE. This section is effective July 1, 2006.

234.4 Sec. 32. SENTENCING GUIDELINES MODIFICATIONS; DELAY IN  
234.5 IMPLEMENTATION.

234.6 The modifications related to sex offenses proposed by the Minnesota Sentencing  
234.7 Guidelines Commission and described in the January 2006 Report to the Legislature,  
234.8 pages 31 to 45, take effect on August 1, 2007.

234.9 EFFECTIVE DATE. This section is effective July 1, 2006.

234.10 Sec. 33. REPEALER.

234.11 Minnesota Statutes 2004, section 488A.03, subdivision 11b, is repealed.

234.12 EFFECTIVE DATE. This section is effective July 1, 2006.

234.13 **ARTICLE 17**

234.14 **STATE GOVERNMENT**

234.15 Section 1. STATE GOVERNMENT APPROPRIATIONS.

234.16 The sums shown in the columns marked "APPROPRIATIONS" are added to the  
234.17 appropriations in Laws 2005, chapter 156, article 1, or other law to the agencies and for  
234.18 the purposes specified in this article. The appropriations are from the general fund or  
234.19 another named fund and are available for the fiscal years indicated for each purpose. The  
234.20 figures "2006" and "2007" used in this article mean that the addition to the appropriation  
234.21 listed under them is available for the fiscal year ending June 30, 2006, or June 30,  
234.22 2007, respectively. "The first year" is fiscal year 2006. "The second year" is fiscal year  
234.23 2007. "The biennium" is fiscal years 2006 and 2007. Supplementary appropriations and  
234.24 reductions to appropriations for the fiscal year ending June 30, 2006, are effective the  
234.25 day following final enactment.

234.26 SUMMARY BY FUND

		<u>2006</u>		<u>2007</u>		<u>TOTAL</u>
234.27						
234.28	<u>General</u>	\$	<u>4,250,000</u>	\$	<u>5,057,000</u>	\$ <u>9,307,000</u>

		<u>APPROPRIATIONS</u>	
		<u>Available for the Year</u>	
		<u>Ending June 30</u>	
		<u>2006</u>	<u>2007</u>
235.1			
235.2			
235.3			
235.4			
235.5	<b>Sec. 2. <u>LEGISLATURE</u></b>		
235.6	<b><u>Subdivision 1. Total Appropriation</u></b>	<b>\$</b>	<b>-0-</b> <b>\$</b> <b><u>37,000</u></b>
235.7	<u>The appropriations in this section are to the</u>		
235.8	<u>Legislative Coordinating Commission for</u>		
235.9	<u>the purposes in subdivisions 2 and 3.</u>		
235.10	<b><u>Subd. 2. Legislative forums</u></b>		<b><u>30,000</u></b>
235.11	<u>For the cost of annual forums to improve</u>		
235.12	<u>legislative effectiveness, as required by</u>		
235.13	<u>Minnesota Statutes, section 3.051.</u>		
235.14	<b><u>Subd. 3. International Legislators' Forum</u></b>		<b><u>7,000</u></b>
235.15	<u>For the International Legislators' Forum,</u>		
235.16	<u>to allow Minnesota legislators to meet with</u>		
235.17	<u>counterparts from South Dakota, North</u>		
235.18	<u>Dakota, and Manitoba, Canada, to discuss</u>		
235.19	<u>issues of mutual concern. This is a onetime</u>		
235.20	<u>appropriation.</u>		
235.21	<b>Sec. 3. <u>GOVERNOR AND LIEUTENANT</u></b>		
235.22	<b><u>GOVERNOR</u></b>		<b><u>(700,000)</u></b>
235.23	<u>Interagency agreements</u>		
235.24	<u>This reduction is intended to offset the value</u>		
235.25	<u>of employees provided to the Office of the</u>		
235.26	<u>Governor and Lieutenant Governor through</u>		
5.27	<u>interagency agreements. This is a onetime</u>		
235.28	<u>reduction in appropriation.</u>		
235.29	<b>Sec. 4. <u>FINANCE</u></b>	<b>-0-</b>	<b><u>200,000</u></b>



236.1 Northwest Airlines bankruptcy counsel  
 236.2 For the state's share of the cost of bankruptcy  
 236.3 counsel representing joint interests of the  
 236.4 state and the city of Duluth in the Northwest  
 236.5 Airlines bankruptcy. The commissioner  
 236.6 must request the city of Duluth to pay  
 236.7 its proportional share of the cost of the  
 236.8 bankruptcy counsel. This is a onetime  
 236.9 appropriation.

236.10 **Sec. 5. OFFICE OF ENTERPRISE**

236.11 **TECHNOLOGY** -0- 1,900,000

236.12 For comprehensive planning,  
 236.13 implementation, and administration of  
 236.14 enterprise information technology security  
 236.15 according to Minnesota Statutes, sections  
 236.16 16E.01 and 16E.03. \$1,700,000 is added  
 236.17 to the appropriation base for fiscal years  
 236.18 2008 and thereafter to provide for continuing  
 236.19 administration of enterprise security.

236.20 **Sec. 6. EMPLOYEE RELATIONS**

236.21 **Subdivision 1. Total Appropriation** 4,000,000 100,000

236.22 This appropriation may be spent for the  
 236.23 purposes in subdivisions 2 and 3.

236.24 **Subd. 2. Government shutdown**  
 236.25 **reimbursement** 4,000,000

236.26 To reimburse state employees, as defined  
 236.27 in Minnesota Statutes, section 43A.02,  
 236.28 subdivision 21, for hours for which they  
 236.29 were not compensated due to the partial

237.1 government shutdown of July 1, 2005, to  
237.2 July 14, 2005.

237.3 The commissioner of employee relations  
237.4 must determine the number of hours an  
237.5 employee was prevented from working due  
237.6 to the partial government shutdown. The  
237.7 commissioner must credit an employee's  
237.8 vacation bank with the number of hours  
237.9 so determined. Notwithstanding any law  
237.10 or policy to the contrary, an employee  
237.11 credited with hours under this subdivision  
237.12 may choose to be paid in cash for these  
237.13 hours, rather than having the hours credited  
237.14 to the employee's vacation bank. If a  
237.15 memorandum of understanding or other  
237.16 agreement or policy provides an employee  
237.17 with partial compensation for hours not  
237.18 worked due to the partial government  
237.19 shutdown, compensation provided under  
237.20 that agreement or policy must be subtracted  
237.21 from compensation in cash or in credit to  
237.22 the employee's vacation bank that otherwise  
237.23 would be due under this subdivision. The  
237.24 commissioner must make payments or  
237.25 credits required by this subdivision within 30  
237.26 days of the effective date of this section. The  
237.27 commissioner must also use this general fund  
237.28 appropriation to reimburse funds other than  
237.29 the general fund for the cost of the payments  
237.30 or credits required by this subdivision. If  
237.31 the appropriation is insufficient to cover all  
237.32 reimbursements, it must be prorated among  
237.33 the eligible agencies and funds in proportion  
237.34 to their share of the total amount reimbursed.  
237.35 This is a onetime appropriation.

- 238.1 Subd. 3. Center for Health Care Purchasing
- 238.2 Improvement 100,000
- 238.3 To establish and operate the Center for
- 238.4 Health Care Purchasing Improvement. This
- 238.5 is a onetime appropriation.
- 238.6 Sec. 7. VETERANS AFFAIRS
- 238.7 Subdivision 1. Total Appropriation 250,000 3,430,000
- 238.8 This appropriation may be spent for the
- 238.9 purposes in subdivisions 2 to 7.
- 238.10 Subd. 2. Soldiers' assistance fund 1,900,000
- 238.11 For deposit in the state soldiers' assistance
- 238.12 fund established in Minnesota Statutes,
- 238.13 section 197.03.
- 238.14 Subd. 3. Web site development 100,000
- 238.15 To create a centralized Web site to contain
- 238.16 information on all state, federal, local, and
- 238.17 private agencies and organizations that
- 238.18 provide goods or services to veterans or their
- 238.19 families.
- 238.20 Subd. 4. Grants to counties 200,000
- 238.21 For grants to counties under the terms of this
- 238.22 subdivision. The commissioner shall issue a
- 238.23 request for proposals for grants to enhance
- 238.24 the benefits, programs, and services provided
- 238.25 to veterans. The request must specify that
- 238.26 priority will be given to proposals that meet
- 238.27 the programmatic goals established by the
- 238.28 commissioner, including proposals that:
- 238.29 (1) will provide the most effective outreach
- 238.30 to veterans;

- 239.1 (2) reintegrate combat veterans into society;  
 239.2 (3) collaborate with other social service  
 239.3 agencies, educational institutions, and other  
 239.4 relevant community resources;  
 239.5 (4) reduce homelessness among veterans;  
 239.6 and  
 239.7 (5) provide measurable outcomes.
- 239.8 The commissioner may provide incentives to  
 239.9 encourage regional collaboration for service  
 239.10 delivery.
- 239.11 The grants may be for a term of up to two  
 239.12 years. The commissioner shall ensure that  
 239.13 grants are made throughout all regions of  
 239.14 the state and shall develop a description of  
 239.15 best practices for the use of these grants. A  
 239.16 county may not reduce its veterans service  
 239.17 office budget by any amount received as a  
 239.18 grant under this subdivision. Grants made  
 239.19 under this subdivision are in addition to  
 239.20 and not subject to the requirements for  
 239.21 grants made under Minnesota Statutes,  
 239.22 section 197.608. The Vinland Center and the  
 239.23 Minnesota Assistance Council for Veterans  
 239.24 may apply for grants under this subdivision  
 239.25 in fiscal year 2007. This appropriation must  
 239.26 be included in the appropriation base through  
 239.27 fiscal year 2009.
- 239.28 **Subd. 5. Higher education veterans**  
 239.29 **assistance offices**
- 239.30 For the higher education veterans assistance  
 239.31 program in section 16. This appropriation  
 239.32 must be included in the appropriation base  
 239.33 through fiscal year 2009.

900,000

240.1 Subd. 6. Outreach and assistance 250,000 250,000

240.2 For an outreach and assistance initiative for  
240.3 underserved veterans.

240.4 Subd. 7. Veterans organizations 80,000

240.5 For veterans' services provided by Veterans  
240.6 of Foreign Wars, the Military Order of the  
240.7 Purple Heart, Disabled American Veterans,  
240.8 and the Vietnam Veterans of America. This  
240.9 is a onetime appropriation.

240.10 Sec. 8. AMATEUR SPORTS COMMISSION -0- 90,000

240.11 This is a onetime appropriation.

240.12 Sec. 9. [3.051] LEGISLATIVE TRAINING FORUMS.

240.13 Subdivision 1. Purposes. The Legislative Coordinating Commission shall oversee  
240.14 two legislative training forums each year. The commission shall:

240.15 (1) create an annual gathering of legislators to be held within the first two weeks of  
240.16 January each year, and one other legislative training forum each year;

240.17 (2) select speakers, including executive or nonpartisan legislative staff, who  
240.18 will provide an overview of the issues affecting Minnesota, including demographic,  
240.19 environmental, sociological, and economic perspectives on Minnesota, background on key  
240.20 policy issues the legislature is expected to address that year, training to improve legislative  
240.21 skills in running effective meetings, and training on other issues; and

240.22 (3) invite current executive branch officials in order to provide opportunities for  
240.23 legislators and invited executive branch officials to interact and work to form cooperative  
240.24 solutions to Minnesota issues, problems, and challenges.

240.25 Subd. 2. Partners. The Legislative Coordinating Commission may select a partner  
240.26 or partners from Minnesota's institutions of higher education and nonprofit communities,  
240.27 and if such a choice is made, must give all interested institutions an opportunity to submit  
240.28 a proposal to conduct the training, schedule activities, and create meeting agendas. The  
240.29 commission may accept donations from foundations, corporations, and individuals to  
240.30 defray costs of the forums, and shall publish those donations on the legislature's Web site.  
240.31 A registered lobbyist or principal may not contribute for this purpose. Donations received  
240.32 are appropriated to the Legislative Coordinating Commission for purposes of this section.

241.1       Sec. 10. [4.51] EXPENSES OF GOVERNOR-ELECT.

241.2       This section applies after a state general election in which a person who is not the  
241.3 current governor is elected to take office as the next governor. The commissioner of  
241.4 administration must request a transfer from the general fund contingent account of an  
241.5 amount equal to 4.5 percent of the amount appropriated for operation of the Office of the  
241.6 Governor and Lieutenant Governor for the current fiscal year. This request is subject to  
241.7 the review and advice of the Legislative Advisory Commission under section 3.30. If the  
241.8 transfer is approved, the commissioner of administration must make this amount available  
241.9 to the governor-elect before the governor-elect takes office. The commissioner must  
241.10 provide office space for the governor-elect and for any employees the governor-elect hires.

241.11       Sec. 11. [16E.21] INFORMATION AND TELECOMMUNICATIONS  
241.12 ACCOUNT.

241.13       Subdivision 1. Account established; appropriation. The information and  
241.14 telecommunications technology systems and services account is created in the special  
241.15 revenue fund. Receipts credited to the account are appropriated to the Office of Enterprise  
241.16 Technology for the purpose of defraying the costs of personnel and technology for  
241.17 activities that create government efficiencies in accordance with this chapter.

241.18       Subd. 2. Charges. Upon agreement of the participating agency, the Office  
241.19 of Enterprise Technology may collect a charge for purchases of information and  
241.20 telecommunications technology systems and services by state agencies and other  
241.21 governmental entities through state contracts for purposes described in subdivision  
241.22 1. Charges collected under this section must be credited to the information and  
241.23 telecommunications technology systems and services account.

241.24       Sec. 12. [43A.312] CENTER FOR HEALTH CARE PURCHASING  
241.25 IMPROVEMENT.

241.26       Subdivision 1. Establishment; administration. The commissioner shall establish  
241.27 and administer the Center for Health Care Purchasing Improvement as an administrative  
241.28 unit within the Department of Employee Relations. The Center for Health Care Purchasing  
241.29 Improvement shall support the state in its efforts to be a more prudent and efficient  
241.30 purchaser of quality health care services. The center shall aid the state in developing and  
241.31 using more common strategies and approaches for health care performance measurement  
241.32 and health care purchasing. The common strategies and approaches shall promote greater  
241.33 transparency of health care costs and quality, and greater accountability for health

242.1 care results and improvement. The center shall also identify barriers to more efficient,  
242.2 effective, quality health care and options for overcoming the barriers.

242.3 Subd. 2. Staffing; duties; scope. (a) The commissioner may appoint a director, and  
242.4 up to three additional senior-level staff or codirectors, and other staff as needed who are  
242.5 under the direction of the commissioner. The staff of the center are in the unclassified  
242.6 service.

242.7 (b) With the authorization of the commissioner of employee relations, and in  
242.8 consultation or interagency agreement with the appropriate commissioners of state  
242.9 agencies, the director, or codirectors, may:

242.10 (1) initiate projects to develop plan designs for state health care purchasing;

242.11 (2) require reports or surveys to evaluate the performance of current health care  
242.12 purchasing strategies;

242.13 (3) calculate fiscal impacts, including net savings and return on investment, of health  
242.14 care purchasing strategies and initiatives;

242.15 (4) conduct policy audits of state programs to measure conformity to state statute or  
242.16 other purchasing initiatives or objectives;

242.17 (5) support the Administrative Uniformity Committee under section 62J.50 and  
242.18 other relevant groups or activities to advance agreement on health care administrative  
242.19 process streamlining;

242.20 (6) consult with the Health Economics Unit of the Department of Health regarding  
242.21 reports and assessments of the health care marketplace;

242.22 (7) consult with the departments of Health and Commerce regarding health care  
242.23 regulatory issues and legislative initiatives;

242.24 (8) work with appropriate Department of Human Services staff and the Centers for  
242.25 Medicare and Medicaid Services to address federal requirements and conformity issues  
242.26 for health care purchasing;

242.27 (9) assist the Minnesota Comprehensive Health Association in health care  
242.28 purchasing strategies;

242.29 (10) convene medical directors of agencies engaged in health care purchasing for  
242.30 advice, collaboration, and exploring possible synergies;

242.31 (11) contact and participate with other relevant health care task forces, study  
242.32 activities, and similar efforts with regard to health care performance measurement and  
242.33 performance-based purchasing; and

242.34 (12) assist in seeking external funding through appropriate grants or other funding  
242.35 opportunities and may administer grants and externally funded projects.

243.1 Subd. 3. Report. The commissioner must report annually to the legislature and the  
 243.2 governor on the operations, activities, and impacts of the center. The report must be  
 243.3 posted on the Department of Employee Relations Web site and must be available to the  
 243.4 public. The report must include a description of the state's efforts to develop and use more  
 243.5 common strategies for health care performance measurement and health care purchasing.  
 243.6 The report must also include an assessment of the impacts of these efforts, especially in  
 243.7 promoting greater transparency of health care costs and quality, and greater accountability  
 243.8 for health care results and improvement.

243.9 Sec. 13. Minnesota Statutes 2005 Supplement, section 201.061, subdivision 3, is  
 243.10 amended to read:

243.11 **Subd. 3. Election day registration.** (a) An individual who is eligible to vote may  
 243.12 register on election day by appearing in person at the polling place for the precinct in  
 243.13 which the individual maintains residence, by completing a registration application, making  
 243.14 an oath in the form prescribed by the secretary of state and providing proof of residence.  
 243.15 An individual may prove residence for purposes of registering by:

243.16 (1) presenting a driver's license or Minnesota identification card issued pursuant  
 243.17 to section 171.07;

243.18 (2) presenting any document approved by the secretary of state as proper  
 243.19 identification;

243.20 (3) presenting one of the following:

243.21 (i) a current valid student identification card from a postsecondary educational  
 243.22 institution in Minnesota, if a list of students from that institution has been prepared under  
 243.23 section 135A.17 and certified to the county auditor in the manner provided in rules of  
 243.24 the secretary of state; or

243.25 (ii) a current student fee statement that contains the student's valid address in the  
 243.26 precinct together with a picture identification card; or

243.27 (4) having a voter who is registered to vote in the precinct, or who is an employee  
 243.28 employed by and working in a residential facility in the precinct and vouching for a  
 243.29 resident in the facility, sign an oath in the presence of the election judge vouching that the  
 243.30 voter or employee personally knows that the individual is a resident of the precinct. A  
 243.31 voter who has been vouched for on election day may not sign a proof of residence oath  
 243.32 vouching for any other individual on that election day. A voter who is registered to vote in  
 243.33 the precinct may sign up to 15 proof-of-residence oaths on any election day. This limitation  
 243.34 does not apply to an employee of a residential facility described in this clause. The  
 243.35 secretary of state shall provide a form for election judges to use in recording the number



244.1 of individuals for whom a voter signs proof-of-residence oaths on election day. The  
 244.2 form must include space for the maximum number of individuals for whom a voter may  
 244.3 sign proof-of-residence oaths. For each proof-of-residence oath, the form must include  
 244.4 a statement that the voter is registered to vote in the precinct, personally knows that the  
 244.5 individual is a resident of the precinct, and is making the statement on oath. The form must  
 244.6 include a space for the voter's printed name, signature, telephone number, and address.

244.7 The oath required by this subdivision and Minnesota Rules, part 8200.9939, must  
 244.8 be attached to the voter registration application and the information on the oath must be  
 244.9 recorded on the records of both the voter registering on election day and the voter who  
 244.10 is vouching for the person's residence, and entered into the statewide voter registration  
 244.11 system by the county auditor when the voter registration application is entered into that  
 244.12 system.

244.13 (b) The operator of a residential facility shall prepare a list of the names of its  
 244.14 employees currently working in the residential facility and the address of the residential  
 244.15 facility. The operator shall certify the list and provide it to the appropriate county auditor  
 244.16 no less than 20 days before each election for use in election day registration.

244.17 (c) "Residential facility" means transitional housing as defined in section 256E.33,  
 244.18 subdivision 1; a supervised living facility licensed by the commissioner of health under  
 244.19 section 144.50, subdivision 6; a nursing home as defined in section 144A.01, subdivision  
 244.20 5; a residence registered with the commissioner of health as a housing with services  
 244.21 establishment as defined in section 144D.01, subdivision 4; a veterans home operated by  
 244.22 the board of directors of the Minnesota Veterans Homes under chapter 198; a residence  
 244.23 licensed by the commissioner of human services to provide a residential program as  
 244.24 defined in section 245A.02, subdivision 14; a residential facility for persons with a  
 244.25 developmental disability licensed by the commissioner of human services under section  
 244.26 252.28; group residential housing as defined in section 256I.03, subdivision 3; a shelter  
 244.27 for battered women as defined in section 611A.37, subdivision 4; or a supervised  
 244.28 publicly or privately operated shelter or dwelling designed to provide temporary living  
 244.29 accommodations for the homeless.

244.30 (d) For tribal band members, an individual may prove residence for purposes of  
 244.31 registering by:

244.32 (1) presenting an identification card issued by the tribal government of a tribe  
 244.33 recognized by the Bureau of Indian Affairs, United States Department of the Interior, that  
 244.34 contains the name, address, signature, and picture of the individual; or

244.35 (2) presenting an identification card issued by the tribal government of a tribe  
 244.36 recognized by the Bureau of Indian Affairs, United States Department of the Interior, that

245.1 contains the name, signature, and picture of the individual, and also presenting one of the  
 245.2 documents listed in Minnesota Rules, part 8200.5100, subpart 2, item B.

245.3 (e) A county, school district, or municipality may require that an election judge  
 245.4 responsible for election day registration initial each completed registration application.

245.5 Sec. 14. Laws 1998, chapter 404, section 15, subdivision 2, as amended by Laws  
 245.6 2005, chapter 20, article 1, section 40, and Laws 2005, chapter 156, article 2, section  
 245.7 43, is amended to read:

245.8 **Subd. 2. National Sports Center** 4,800,000

245.9 \$1,700,000 is to purchase and develop land  
 245.10 adjacent to the National Sports Center in  
 245.11 Blaine for use as athletic fields.

245.12 \$3,100,000 is to develop the National  
 245.13 Children's Golf Course. The primary  
 245.14 purpose of the National Children's Golf  
 245.15 Course is to serve youth of 18 years and  
 245.16 younger. Market rates must be charged for  
 245.17 adult golf.

245.18 Notwithstanding Minnesota Statutes, section  
 245.19 16B.24, subdivision 5, the Minnesota  
 245.20 Amateur Sports Commission may lease  
 245.21 up to 20 percent of the area of the land  
 245.22 purchased with money from the general  
 245.23 fund appropriations in this subdivision for  
 245.24 a term of up to 30 years, plus two renewals  
 245.25 for a term of up to 30 years each, to one or  
 245.26 more governmental or private entities for  
 245.27 any use by the lessee, whether public or  
 245.28 private, so long as the use provides some  
 245.29 benefit to amateur sports. The commission  
 245.30 must submit proposed leases for the land  
 245.31 described in this subdivision to the chairs of  
 245.32 the legislative committees with jurisdiction  
 245.33 over state government policy and finance for  
 245.34 review at least 30 days before the leases may

246.1 be entered into by the commission. Up to  
 246.2 \$300,000 of lease payments received by the  
 246.3 commission each fiscal year is appropriated  
 246.4 to the commission for the purposes specified  
 246.5 in Minnesota Statutes, chapter 240A. The  
 246.6 land purchased from the general fund  
 246.7 appropriations may be used for any amateur  
 246.8 sport.

246.9 Sec. 15. Laws 2005, chapter 156, article 1, section 11, subdivision 5, is amended to  
 246.10 read:

246.11 **Subd. 5. Public Broadcasting**

246.12                           1,855,000                           1,855,000

246.13 \$963,000 the first year and \$963,000 the  
 246.14 second year are for matching grants for  
 246.15 public television.

246.16 \$398,000 the first year and \$398,000  
 246.17 the second year are for public television  
 246.18 equipment grants.

246.19 Equipment or matching grant allocations  
 246.20 shall be made after considering the  
 246.21 recommendations of the Minnesota Public  
 246.22 Television Association.

246.23 \$17,000 the first year and \$17,000 the second  
 246.24 year are for grants to the Twin Cities regional  
 246.25 cable channel.

246.26 \$287,000 the first year and \$287,000 the  
 246.27 second year are for community service grants  
 246.28 to public educational radio stations. The  
 246.29 grants must be allocated after considering  
 246.30 the recommendations of the Association of  
 246.31 Minnesota Public Educational Radio Stations  
 246.32 under Minnesota Statutes, section 129D.14.

247.1 \$190,000 the first year and \$190,000 the  
 247.2 second year are for equipment grants  
 247.3 to Minnesota Public Radio, Inc. ~~This~~  
 247.4 ~~appropriation is contingent on Minnesota~~  
 247.5 ~~Public Radio, Inc. making public a list~~  
 247.6 ~~containing the position and salary of each~~  
 247.7 ~~employee and single individual providing~~  
 247.8 ~~personal services under a contract who is paid~~  
 247.9 ~~more than \$100,000 per year by Minnesota~~  
 247.10 ~~Public Radio, Inc. or a related organization~~  
 247.11 ~~as defined in Minnesota Statutes, section~~  
 247.12 ~~317A.011, subdivision 18.~~

247.13 Any unencumbered balance remaining the  
 247.14 first year for grants to public television or  
 247.15 radio stations does not cancel and is available  
 247.16 for the second year.

247.17 **Sec. 16. HIGHER EDUCATION VETERANS ASSISTANCE PROGRAM.**

247.18 **Subdivision 1. Assistance provided.** The commissioner of veterans affairs shall  
 247.19 provide central liaison staff and campus veterans assistance officers to serve the needs  
 247.20 of students who are veterans at higher education institutions in Minnesota. Methods of  
 247.21 assistance may include, but are not limited to, work-study positions for veterans, and  
 247.22 providing information and assistance regarding the availability of state, federal, local,  
 247.23 and private resources.

247.24 **Subd. 2. Steering committee.** The commissioner of veterans affairs shall chair a  
 247.25 higher education veterans assistance program steering committee composed of:

247.26 (1) the adjutant general or the adjutant general's designee;

247.27 (2) a representative of Minnesota State Colleges and Universities, designated by  
 247.28 the chancellor;

247.29 (3) a representative of the University of Minnesota, appointed by the president of  
 247.30 the university;

247.31 (4) a representative of private colleges and universities in Minnesota, appointed by  
 247.32 the governor;

247.33 (5) a representative of the Office of Higher Education, appointed by the executive  
 247.34 director;

248.1 (6) a representative of county veterans service offices, appointed by the  
248.2 commissioner of veterans affairs; and

248.3 (7) a representative of the Department of Employment and Economic Development,  
248.4 appointed by the commissioner of that department.

248.5 The steering committee shall advise the commissioner of veterans affairs regarding the  
248.6 allocation of appropriations for the purposes of this section and shall develop a long-range  
248.7 plan to serve the needs of students at higher education institutions in Minnesota who are  
248.8 veterans.

248.9 Subd. 3. Office space provided. Each campus of the University of Minnesota and  
248.10 each institution within the Minnesota State Colleges and Universities system shall provide  
248.11 adequate space for a veterans assistance office to be administered by the commissioner  
248.12 of veterans affairs, and each private college and university in Minnesota is encouraged  
248.13 to provide adequate space for a veterans assistance office to be administered by the  
248.14 commissioner of veterans affairs. The veterans assistance office must provide information  
248.15 and assistance to veterans who are students or family members of students at the school  
248.16 regarding the availability of state, federal, local, and private resources.

248.17 Subd. 4. Report. Beginning January 15, 2007, and each year thereafter, the  
248.18 steering committee established in subdivision 2 shall report to the chairs of the legislative  
248.19 committees with jurisdiction over veterans affairs policy and finance and higher education  
248.20 policy and finance regarding the implementation and effectiveness of the program  
248.21 established in this section.

248.22 Subd. 5. Expiration. This section expires on June 30, 2009.

248.23 **Sec. 17. EFFECTIVE DATE.**

248.24 This article is effective the day following final enactment.

## 248.25 **ARTICLE 18**

### 248.26 **HUMAN SERVICES FORECAST ADJUSTMENTS**

248.27 **Section 1. DEPARTMENT OF HUMAN SERVICES FORECAST ADJUSTMENT.**

248.28 The dollar amounts shown are added to or, if shown in parentheses, subtracted from,  
248.29 the appropriations in Laws 2005, First Special Session chapter 4, and are appropriated  
248.30 from the general fund, or any other fund named, to the Department of Human Services for  
248.31 the purposes specified in this article, to be available for the fiscal year indicated for each  
248.32 purpose. The figures "2006" and "2007" used in this article mean that the appropriation or

249.1 appropriations listed are available for the respective fiscal year ending June 30, 2006, or  
 249.2 June 30, 2007.

249.3 SUMMARY BY FUND

249.4		<u>2006</u>	<u>2007</u>
249.5	<u>General Fund</u>	\$ (58,333,000)	\$ (17,589,000)
249.6	<u>Health Care Access Fund</u>	(44,511,000)	(62,360,000)
249.7	<u>TANF</u>	(13,807,000)	(3,866,000)
249.8	<u>TOTAL</u>	\$ (116,651,000)	\$ (83,815,000)

249.9 Sec. 2. COMMISSIONER OF HUMAN  
 249.10 SERVICES

249.11 Subdivision 1. Total Appropriation \$ (116,651,000) \$ (83,815,000)

249.12 Summary by Fund

249.13	<u>General</u>	(58,333,000)	(17,589,000)
249.14	<u>Health Care Access</u>	(44,511,000)	(62,360,000)
249.15	<u>TANF</u>	(13,807,000)	(3,866,000)

249.16 Subd. 2. Revenue and Pass-Through

249.17 TANF (1,446,000) (1,177,000)

249.18 Subd. 3. Children and Economic Assistance

249.19 Grants

249.20 General (4,469,000) 1,785,000

249.21 TANF (12,361,000) (2,689,000)

249.22 The amount that may be spent from this  
 249.23 appropriation for each purpose is as follows:

249.24 (a) Minnesota Family Investment Program

249.25 General 6,048,000 (393,000)

249.26 TANF (12,361,000) (2,689,000)

250.1	<u>(b) MFIP Child Care Assistance Grants</u>	<u>(5,090,000)</u>	<u>2,751,000</u>
250.2	<u>(c) General Assistance</u>	<u>2,540,000</u>	<u>3,947,000</u>
250.3	<u>(d) Minnesota Supplemental Aid</u>	<u>(285,000)</u>	<u>551,000</u>
250.4	<u>(e) Group Residential Housing</u>	<u>(7,682,000)</u>	<u>(5,071,000)</u>
250.5	<b><u>Subd. 4. Basic Health Care Grants</u></b>		
250.6	<u>General</u>	<u>(19,022,000)</u>	<u>10,499,000</u>
250.7	<u>Health Care Access</u>	<u>(44,511,000)</u>	<u>(62,360,000)</u>
250.8	<u>The amount that may be spent from this</u>		
250.9	<u>appropriation for each purpose is as follows:</u>		
250.10	<u>(a) MinnesotaCare</u>	<u>(44,511,000)</u>	<u>(62,360,000)</u>
250.11	<u>This appropriation is from the health care</u>		
250.12	<u>access fund.</u>		
250.13	<u>(b) MA Basic Health Care - Families and</u>		
250.14	<u>Children</u>	<u>(29,882,000)</u>	<u>(54,401,000)</u>
250.15	<u>(c) MA Basic Health Care - Elderly and</u>		
250.16	<u>Disabled</u>	<u>(2,857,000)</u>	<u>33,179,000</u>
250.17	<u>(d) General Assistance Medical Care</u>	<u>13,717,000</u>	<u>31,721,000</u>
250.18	<b><u>Subd. 5. Continuing Care Grants</u></b>	<u>(34,842,000)</u>	<u>(29,873,000)</u>
250.19	<u>The amount that may be spent from this</u>		
250.20	<u>appropriation for each purpose is as follows:</u>		
250.21	<u>(a) MA Long-Term Care Waivers</u>	<u>(23,368,000)</u>	<u>(35,953,000)</u>
250.22	<u>(b) MA Long-Term Care Facilities</u>	<u>(16,251,000)</u>	<u>(5,202,000)</u>
250.23	<u>(c) Chemical Dependency Entitlement Grants</u>	<u>4,777,000</u>	<u>11,282,000</u>
250.24	<b><u>EFFECTIVE DATE. This section is effective the day following final enactment.</u></b>		

## ARTICLE 19

## HEALTH DEPARTMENT

Section 1. [144.366] E-HEALTH RECORD GRANTS.

Subdivision 1. Definitions. The following definitions are used for the purposes of this section.

(a) "Eligible community e-health collaborative" means an existing or newly established collaborative to support the adoption and use of interoperable electronic health records. A collaborative must consist of at least three or more eligible health care entities in at least two of the categories listed in paragraph (b) and have a focus on interconnecting the members of the collaborative for secure and interoperable exchange of health care information.

(b) "Eligible health care entity" means one of the following:

(1) community clinics, as defined under section 145.9268;

(2) hospitals eligible for rural hospital capital improvement grants, as defined in section 144.148;

(3) physician clinics located in a community with a population of less than 50,000 according to United States Census Bureau statistics and outside the seven-county metropolitan area;

(4) nursing facilities licensed under sections 144A.01 to 144A.27;

(5) community health boards as established under chapter 145A;

(6) nonprofit entities with a purpose to provide health information exchange coordination governed by a representative, multistakeholder board of directors; and

(7) other providers of health or health care services approved by the commissioner for which interoperable electronic health record capability would improve quality of care, patient safety, or community health.

Subd. 2. Grants authorized. The commissioner of health shall award grants to eligible community e-health collaborative projects to improve the implementation and use of interoperable electronic health records including, but not limited to, the following projects:

(1) collaborative efforts to host and support fully functional interoperable electronic health records in multiple care settings;

(2) electronic medication history and electronic patient registration information;

(3) electronic personal health records for persons with chronic diseases and for prevention services;

(4) rural and underserved community models for electronic prescribing; and



252.1 (5) enabling local public health systems to rapidly and electronically exchange  
252.2 information needed to participate in community e-health collaboratives or for public  
252.3 health emergency preparedness and response.

252.4 Grant funds may not be used for construction of health care or other buildings or  
252.5 facilities.

252.6 Subd. 3. Allocation of grants. (a) To receive a grant under this section, an eligible  
252.7 community e-health collaborative must submit an application to the commissioner of  
252.8 health by the deadline established by the commissioner. A grant may be awarded upon the  
252.9 signing of a grant contract. In awarding grants, the commissioner shall give preference to  
252.10 projects benefiting providers located in rural and underserved areas of Minnesota which  
252.11 the commissioner has determined have an unmet need for the development and funding  
252.12 of electronic health records. Applicants may apply for and the commissioner may award  
252.13 grants for one-year, two-year, or three-year periods.

252.14 (b) An application must be on a form and contain information as specified by the  
252.15 commissioner, but at a minimum must contain:

252.16 (1) a description of the purpose or project for which grant funds will be used;

252.17 (2) a description of the problem or problems the grant funds will be used to address,  
252.18 including an assessment likelihood of the project occurring absent grant funding;

252.19 (3) a description of achievable objectives; a workplan; a budget and budget  
252.20 narrative; a project communications plan; a timeline for implementation and completion  
252.21 of processes or projects enabled by the grant; and an assessment of privacy and security  
252.22 issues, and a proposed approach to address these issues;

252.23 (4) a description of the health care entities and other groups participating in the  
252.24 project, including identification of the lead entity responsible for applying for and  
252.25 receiving grant funds;

252.26 (5) a plan for how patients and consumers will be involved in development of  
252.27 policies and procedures related to the access to and interchange of information;

252.28 (6) evidence of consensus and commitment among the health care entities and others  
252.29 who developed the proposal and are responsible for its implementation; and

252.30 (7) a plan for documenting and evaluating results of the grant.

252.31 (c) The commissioner shall review each application to determine whether the  
252.32 application is complete and whether the applicant and the project are eligible for a  
252.33 grant. In evaluating applications, the commissioner shall take into consideration factors  
252.34 including, but not limited to, the following:

252.35 (1) the degree to which the proposal interconnects the various providers of care  
252.36 in the applicant's geographic community;

253.1 (2) the degree to which the project provides for the interoperability of electronic  
253.2 health records or related health information technology between the members of the  
253.3 collaborative, and the presence and scope of a description of how the project intends to  
253.4 interconnect with other providers not part of the project in the future;

253.5 (3) the degree to which the project addresses current unmet needs pertaining  
253.6 to interoperable electronic health records in a geographic area of Minnesota and the  
253.7 likelihood that the needs would not be met absent grant funds;

253.8 (4) the applicant's thoroughness and clarity in describing the project; how the project  
253.9 will improve patient safety, quality of care, and consumer empowerment; and the role of  
253.10 the various collaborative members;

253.11 (5) the recommendations of the Health Information and Technology Infrastructure  
253.12 Advisory Committee; and

253.13 (6) other factors that the commissioner deems relevant.

253.14 (d) Grant funds shall be awarded on a three-to-one match basis. Applicants shall  
253.15 be required to provide \$1 in the form of cash or in-kind staff or services for each \$3  
253.16 provided under the grant program.

253.17 (e) Grants shall not exceed \$900,000 per grant. The commissioner has discretion  
253.18 over the size and number of grants awarded.

253.19 Subd. 4. Evaluation and report. The commissioner of health shall evaluate the  
253.20 overall effectiveness of the grant program. The commissioner shall collect progress  
253.21 and expenditure reports to evaluate the grant program from the eligible community  
253.22 collaboratives receiving grants. Every two years, as part of the evaluation, the  
253.23 commissioner shall, in coordination with the Health Information Technology and  
253.24 Infrastructure Advisory Committee, report to the legislature on the needs of the community  
253.25 and provide any recommendations for adding or changing eligible activities.

253.26 Sec. 2. Minnesota Statutes 2005 Supplement, section 144.551, subdivision 1, is  
253.27 amended to read:

253.28 Subdivision 1. **Restricted construction or modification.** (a) The following  
253.29 construction or modification may not be commenced:

253.30 (1) any erection, building, alteration, reconstruction, modernization, improvement,  
253.31 extension, lease, or other acquisition by or on behalf of a hospital that increases the bed  
253.32 capacity of a hospital, relocates hospital beds from one physical facility, complex, or site  
253.33 to another, or otherwise results in an increase or redistribution of hospital beds within  
253.34 the state; and

253.35 (2) the establishment of a new hospital.

254.1 (b) This section does not apply to:

254.2 (1) construction or relocation within a county by a hospital, clinic, or other health  
254.3 care facility that is a national referral center engaged in substantial programs of patient  
254.4 care, medical research, and medical education meeting state and national needs that  
254.5 receives more than 40 percent of its patients from outside the state of Minnesota;

254.6 (2) a project for construction or modification for which a health care facility held  
254.7 an approved certificate of need on May 1, 1984, regardless of the date of expiration of  
254.8 the certificate;

254.9 (3) a project for which a certificate of need was denied before July 1, 1990, if a  
254.10 timely appeal results in an order reversing the denial;

254.11 (4) a project exempted from certificate of need requirements by Laws 1981, chapter  
254.12 200, section 2;

254.13 (5) a project involving consolidation of pediatric specialty hospital services within  
254.14 the Minneapolis-St. Paul metropolitan area that would not result in a net increase in the  
254.15 number of pediatric specialty hospital beds among the hospitals being consolidated;

254.16 (6) a project involving the temporary relocation of pediatric-orthopedic hospital  
254.17 beds to an existing licensed hospital that will allow for the reconstruction of a new  
254.18 philanthropic, pediatric-orthopedic hospital on an existing site and that will not result in a  
254.19 net increase in the number of hospital beds. Upon completion of the reconstruction,  
254.20 the licenses of both hospitals must be reinstated at the capacity that existed on each site  
254.21 before the relocation;

254.22 (7) the relocation or redistribution of hospital beds within a hospital building or  
254.23 identifiable complex of buildings provided the relocation or redistribution does not result  
254.24 in: (i) an increase in the overall bed capacity at that site; (ii) relocation of hospital beds  
254.25 from one physical site or complex to another; or (iii) redistribution of hospital beds within  
254.26 the state or a region of the state;

254.27 (8) relocation or redistribution of hospital beds within a hospital corporate system  
254.28 that involves the transfer of beds from a closed facility site or complex to an existing site  
254.29 or complex provided that: (i) no more than 50 percent of the capacity of the closed facility  
254.30 is transferred; (ii) the capacity of the site or complex to which the beds are transferred  
254.31 does not increase by more than 50 percent; (iii) the beds are not transferred outside of a  
254.32 federal health systems agency boundary in place on July 1, 1983; and (iv) the relocation or  
254.33 redistribution does not involve the construction of a new hospital building;

254.34 (9) a construction project involving up to 35 new beds in a psychiatric hospital in  
254.35 Rice County that primarily serves adolescents and that receives more than 70 percent of its  
254.36 patients from outside the state of Minnesota;

255.1 (10) a project to replace a hospital or hospitals with a combined licensed capacity  
255.2 of 130 beds or less if: (i) the new hospital site is located within five miles of the current  
255.3 site; and (ii) the total licensed capacity of the replacement hospital, either at the time of  
255.4 construction of the initial building or as the result of future expansion, will not exceed 70  
255.5 licensed hospital beds, or the combined licensed capacity of the hospitals, whichever is  
255.6 less;

255.7 (11) the relocation of licensed hospital beds from an existing state facility operated  
255.8 by the commissioner of human services to a new or existing facility, building, or complex  
255.9 operated by the commissioner of human services; from one regional treatment center  
255.10 site to another; or from one building or site to a new or existing building or site on the  
255.11 same campus;

255.12 (12) the construction or relocation of hospital beds operated by a hospital having a  
255.13 statutory obligation to provide hospital and medical services for the indigent that does not  
255.14 result in a net increase in the number of hospital beds, notwithstanding section 144.552, 27  
255.15 beds, of which 12 serve mental health needs, may be transferred from Hennepin County  
255.16 Medical Center to Regions Hospital under this clause;

255.17 (13) a construction project involving the addition of up to 31 new beds in an existing  
255.18 nonfederal hospital in Beltrami County;

255.19 (14) a construction project involving the addition of up to eight new beds in an  
255.20 existing nonfederal hospital in Otter Tail County with 100 licensed acute care beds;

255.21 (15) a construction project involving the addition of 20 new hospital beds  
255.22 used for rehabilitation services in an existing hospital in Carver County serving the  
255.23 southwest suburban metropolitan area. Beds constructed under this clause shall not be  
255.24 eligible for reimbursement under medical assistance, general assistance medical care,  
255.25 or MinnesotaCare;

255.26 (16) a project for the construction or relocation of up to 20 hospital beds for the  
255.27 operation of up to two psychiatric facilities or units for children provided that the operation  
255.28 of the facilities or units have received the approval of the commissioner of human services;

255.29 (17) a project involving the addition of 14 new hospital beds to be used for  
255.30 rehabilitation services in an existing hospital in Itasca County;

255.31 (18) a project to add 20 licensed beds in existing space at a hospital in Hennepin  
255.32 County that closed 20 rehabilitation beds in 2002, provided that the beds are used only  
255.33 for rehabilitation in the hospital's current rehabilitation building. If the beds are used for  
255.34 another purpose or moved to another location, the hospital's licensed capacity is reduced  
255.35 by 20 beds; or

256.1 (19) a critical access hospital established under section 144.1483, clause (9), and  
 256.2 section 1820 of the federal Social Security Act, United States Code, title 42, section  
 256.3 1395i-4, that delicensed beds since enactment of the Balanced Budget Act of 1997, Public  
 256.4 Law 105-33, to the extent that the critical access hospital does not seek to exceed the  
 256.5 maximum number of beds permitted such hospital under federal law;

256.6 (20) a project for the construction of a hospital with up to 25 beds in Cass County  
 256.7 within a 20-mile radius of the state Ah-Gwah-Ching facility, provided the hospital's  
 256.8 license holder is approved by the Cass County Board; or

256.9 (21) a project approved under section 144.553.

256.10 Sec. 3. Minnesota Statutes 2004, section 144.552, is amended to read:

256.11 **144.552 PUBLIC INTEREST REVIEW.**

256.12 (a) The following entities must submit a plan to the commissioner:

256.13 (1) a hospital seeking to increase its number of licensed beds; or

256.14 (2) an organization seeking to obtain a hospital license ~~must submit a plan to~~  
 256.15 ~~the commissioner of health~~ and notified by the commissioner under section 144.553,  
 256.16 subdivision 1, paragraph (c), that it is subject to this section.

256.17 The plan must include information that includes an explanation of how the expansion will  
 256.18 meet the public's interest. When submitting a plan to the commissioner, an applicant shall  
 256.19 pay the commissioner for the commissioner's cost of reviewing the plan, as determined  
 256.20 by the commissioner and notwithstanding section 16A.1283. Money received by the  
 256.21 commissioner under this section is appropriated to the commissioner for the purpose of  
 256.22 administering this section.

256.23 (b) Plans submitted under this section shall include detailed information necessary  
 256.24 for the commissioner to review the plan and reach a finding. The commissioner may  
 256.25 request additional information from the hospital submitting a plan under this section and  
 256.26 from others affected by the plan that the commissioner deems necessary to review the  
 256.27 plan and make a finding.

256.28 (c) The commissioner shall review the plan and, within 90 days, but no more than  
 256.29 six months if extenuating circumstances apply, issue a finding on whether the plan is in  
 256.30 the public interest. In making the recommendation, the commissioner shall consider  
 256.31 issues including but not limited to:

256.32 (1) whether the new hospital or hospital beds are needed to provide timely access to  
 256.33 care or access to new or improved services;

256.34 (2) the financial impact of the new hospital or hospital beds on existing acute-care  
 256.35 hospitals that have emergency departments in the region;

257.1 (3) how the new hospital or hospital beds will affect the ability of existing hospitals  
257.2 in the region to maintain existing staff;

257.3 (4) the extent to which the new hospital or hospital beds will provide services to  
257.4 nonpaying or low-income patients relative to the level of services provided to these groups  
257.5 by existing hospitals in the region; and

257.6 (5) the views of affected parties.

257.7 Prior to making a recommendation, the commissioner shall conduct a public hearing in the  
257.8 affected hospital service area to take testimony from interested persons.

257.9 (d) Upon making a recommendation under paragraph (c), the commissioner shall  
257.10 provide a copy of the recommendation to the chairs of the house and senate committees  
257.11 having jurisdiction over health and human services policy and finance.

7.12 **Sec. 4. [144.553] ALTERNATIVE APPROVAL PROCESS FOR NEW**  
257.13 **HOSPITAL CONSTRUCTION.**

257.14 **Subdivision 1. Letter of intent; publication; acceptance of additional proposals.**

257.15 (a) An organization seeking to obtain a hospital license must submit a letter of intent to the  
257.16 commissioner, specifying the community in which the proposed hospital would be located  
257.17 and the number of beds proposed for the new hospital. When multiple letters of intent are  
257.18 received, the commissioner shall determine whether they constitute requests for separate  
257.19 projects or are competing proposals to serve the same or a similar service area.

257.20 (b) Upon receipt of a letter under paragraph (a), the commissioner shall publish a  
257.21 notice in the State Register that includes the information received from the organization  
257.22 under paragraph (a). The notice must state that another organization interested in seeking  
257.23 a hospital license to serve the same or a similar service area must notify the commissioner  
257.24 within 30 days.

257.25 (c) If no responses are received from additional organizations under paragraph (b),  
257.26 the commissioner shall notify the entity seeking a license that it is required to submit a  
257.27 plan under section 144.552 and shall notify the chairs of the house of representatives and  
257.28 senate committees having jurisdiction over health and human services policy and finance  
257.29 that the project is subject to sections 144.551 and 144.552.

257.30 **Subd. 2. Needs assessment.** (a) If one or more responses are received by the  
257.31 commissioner under subdivision 1, paragraph (b), the commissioner shall within 90 days  
257.32 complete a needs assessment to determine if a new hospital is needed in the proposed  
257.33 service area.

257.34 (b) The organizations that have filed or responded to a letter of intent under  
257.35 subdivision 1 shall provide to the commissioner, within 30 days of a request from the

258.1 commissioner, a statement justifying the need for a new hospital in the service area and  
258.2 sufficient information, as determined by the commissioner, to allow the commissioner to  
258.3 determine the need for a new hospital. The information may include, but is not limited  
258.4 to, a demographic analysis of the proposed service area, the number of proposed beds,  
258.5 the types of hospital services to be provided, and distances and travel times to existing  
258.6 hospitals currently providing services in the service area.

258.7 (c) The commissioner shall make a determination of need for the new hospital. If  
258.8 the commissioner determines that a new hospital in the service area is not justified, the  
258.9 commissioner shall notify the applicants in writing, stating the reasons for the decision.

258.10 Subd. 3. Process when hospital need is determined. (a) If the commissioner  
258.11 determines that a new hospital is needed in the proposed service area, the commissioner  
258.12 shall notify the applicants of that finding and shall select the applicant determined under  
258.13 the process established in this subdivision to be best able to provide services consistent  
258.14 with the review criteria established in this subdivision.

258.15 (b) The commissioner shall:

258.16 (1) determine market-specific criteria that shall be used to evaluate all proposals.

258.17 The criteria must include standards regarding:

258.18 (i) access to care;

258.19 (ii) quality of care;

258.20 (iii) cost of care; and

258.21 (iv) overall project feasibility;

258.22 (2) establish additional criteria at the commissioner's discretion. In establishing the  
258.23 criteria, the commissioner shall consider the need for:

258.24 (i) mental health services in the service area, including both inpatient and outpatient  
258.25 services for adults, adolescents, and children;

258.26 (ii) a significant commitment to providing uncompensated care, including discounts  
258.27 for uninsured patients and coordination with other providers of care to low-income  
258.28 uninsured persons; and

258.29 (iii) coordination with other hospitals so that specialized services are not  
258.30 unnecessarily duplicated and are provided in sufficient volume to ensure the maintenance  
258.31 of high-quality care. The criteria determined under this paragraph shall constitute the sole  
258.32 criteria under which the competing proposals shall be evaluated; and

258.33 (3) define a service area for the proposed hospital. The service area shall consist of:

258.34 (i) in the 11-county metropolitan area, in St. Cloud, and in Duluth, the zip codes

258.35 located within a 20-mile radius of the proposed new hospital location; and

259.1 (ii) in the remainder of the state, the zip codes within a 30-mile radius of the  
259.2 proposed new hospital location.

259.3 (c) The commissioner shall publish the criteria determined under paragraph (b) in the  
259.4 State Register within 60 days of the determination under subdivision 2. Once published,  
259.5 the criteria shall not be modified with respect to the particular project and applicants  
259.6 to which they apply. The commissioner shall publish with the criteria guidelines for a  
259.7 proposal and submission review process.

259.8 (d) For 60 days after the publication under paragraph (c), the commissioner shall  
259.9 accept proposals to construct a hospital from organizations that have submitted a letter  
259.10 of intent under subdivision 1, paragraph (a), or have notified the commissioner under  
259.11 subdivision 1, paragraph (b). The proposal must include a plan for the new hospital and  
259.12 evidence of compliance with the criteria specified under paragraph (b). Once submitted,  
259.13 the proposal may not be revised except:

259.14 (1) to submit corrections of material facts; or

259.15 (2) in response to a request from the commissioner to provide clarification or  
259.16 further information.

259.17 (e) Within 90 days of the deadline for applications under paragraph (d), the  
259.18 commissioner shall determine which applicant has demonstrated that it is best able to  
259.19 provide services consistent with the published criteria. The commissioner shall make the  
259.20 determination by order following a hearing according to this paragraph. The hearing  
259.21 shall not constitute or be considered to be a contested case hearing under chapter 14 and  
259.22 shall be conducted solely under the procedures specified in this paragraph. The hearing  
259.23 shall commence upon at least 30 days' notice to the applicants by the commissioner.  
259.24 The hearing may be conducted by the commissioner or by a person designated by the  
259.25 commissioner. The designee may be an administrative law judge. The purpose of the  
259.26 hearing shall be to receive evidence to assist the commissioner in determining which  
259.27 applicant has demonstrated that it best meets the published criteria.

259.28 The parties to the hearing shall consist only of those applicants who have submitted  
259.29 a completed application. Each applicant shall have the right to be represented by  
259.30 counsel, to present evidence deemed relevant by the commissioner, and to examine and  
259.31 cross-examine witnesses. Persons who are not parties to the proceeding but who wish  
259.32 to present comments or submit information may do so in the manner determined by  
259.33 the commissioner or the commissioner's designee. A person who is not a party to the  
259.34 hearing shall have no right to examine or cross-examine witnesses. The commissioner  
259.35 may participate as an active finder of fact in the hearing and may ask questions to elicit  
259.36 information or clarify answers or responses.



260.1 (f) Prior to making a determination selecting an application, the commissioner shall  
260.2 hold a public hearing in the proposed hospital service area to accept comments from  
260.3 members of the public. The commissioner shall take this information into consideration in  
260.4 making the determination. The commissioner must also consider the input and preferences  
260.5 of legislators and local elected officials who represent the service area regarding the  
260.6 selection of the hospital provider. Following the closing of the record of the hearing as  
260.7 determined by the hearing officer, the commissioner shall issue an order selecting an  
260.8 application. The commissioner's order shall include a statement of the reasons the selected  
260.9 application best meets the published criteria.

260.10 (g) Following the determination under paragraph (e), the commissioner shall  
260.11 recommend the selected proposal to the legislature on or before March 1 in an  
260.12 odd-numbered year and within 15 days of the first day of the regular session in  
260.13 an even-numbered year to be accepted or rejected. Legislative acceptance of the  
260.14 commissioner's recommendation constitutes approval of the proposal under section  
260.15 144.551. Legislative rejection of the recommendation concludes the process but does not  
260.16 prohibit a new application under this section and section 144.552.

260.17 (h) In the event of legislative failure to act on the recommendation made under this  
260.18 subdivision, upon the conclusion of the legislative session the commissioner shall make  
260.19 the commissioner's recommendation the final approval of the project. The commissioner's  
260.20 decision to grant final approval to the commissioner's recommendation constitutes  
260.21 approval of the proposal under section 144.551.

260.22 (i) For purposes of this subdivision, "legislative acceptance" means the  
260.23 recommended project is approved by law; "legislative rejection" means the recommended  
260.24 project is rejected by law; and "legislative failure to act" means any other action or lack of  
260.25 action taken by the legislature.

260.26 Subd. 4. Payment of commissioner's expenses. Notwithstanding section  
260.27 16A.1283, applicants who are a party at any stage of the administrative process established  
260.28 in this section shall pay the cost of that stage of the process, as determined by the  
260.29 commissioner. The cost of the needs assessment, criteria development, and hearing shall  
260.30 be divided equally among the applicants. Money received by the commissioner under  
260.31 this subdivision is appropriated to the commissioner for the purpose of administering  
260.32 this section.

260.33 Sec. 5. [144.90] STATE-LEVEL METHAMPHETAMINE COORDINATOR.

260.34 Subdivision 1. Establishment; purpose; appointment. A state-level,  
260.35 statewide methamphetamine coordinator is created in the Department of Health. The

261.1 methamphetamine coordinator shall coordinate Minnesota's efforts to reduce the incidence  
261.2 of methamphetamine addiction and related consequences by working with various state  
261.3 agencies, local units of government, law enforcement, courts, the chemical dependency  
261.4 treatment community, the federal government, other states, and other interested individuals  
261.5 and parties in order to coordinate the state's resources to provide and oversee education,  
261.6 research, and training related to methamphetamine. To the extent possible, the coordinator  
261.7 must coordinate efforts with tribal governments. The coordinator shall be appointed by  
261.8 the governor.

261.9 Subd. 2. Duties. The duties of the methamphetamine coordinator include, but  
261.10 are not limited to:

261.11 (1) providing health-based information and safety training materials to law  
261.12 enforcement, first responders, and others exposed to methamphetamine use and  
261.13 manufacturing;

261.14 (2) promoting and tracking first responder training provided by the Minnesota Bureau  
261.15 of Criminal Apprehension, the United States Drug Enforcement Agency, and others;

261.16 (3) providing train-the-trainer materials for state and local agencies and community  
261.17 groups working to respond to methamphetamine problems in their communities;

261.18 (4) serving as a clearinghouse for information and materials on all aspects  
261.19 of methamphetamine response, including treatment and treatment providers, law  
261.20 enforcement, corrections and drug courts, education, prevention, children's issues, staff  
261.21 training and safety, and K-12 curricula;

261.22 (5) tracking of grant and other funding opportunities available to Minnesota  
261.23 agencies, organizations, and communities;

261.24 (6) coordinating media-based prevention opportunities, including methamphetamine  
261.25 and other antidrug materials available for use by local communities;

261.26 (7) establishing a speaker's bureau of experts on methamphetamine and other  
261.27 addictions;

261.28 (8) fielding methamphetamine-related calls;

261.29 (9) maintaining current knowledge and understanding of methamphetamine-related  
261.30 research in the areas of remediation, children's health, health of users, best prevention  
261.31 and treatment practices, and other issues;

261.32 (10) tracking trends in use, manufacturing, incidence of methamphetamine labs  
261.33 and seizures, costs, incarcerations, and child involvement nationwide and for Minnesota  
261.34 specifically;

261.35 (11) making recommendations to the legislature for methamphetamine policy  
261.36 changes and funding;

262.1 (12) serving as coordinator or point-of-contact for a Minnesota drug endangered  
262.2 children's alliance; and

262.3 (13) coordinating prevention information efforts related to methamphetamine with  
262.4 the Minnesota Prevention Resource Center.

262.5 Subd. 3. Toll-free telephone number. The coordinator shall establish a toll-free  
262.6 telephone number during business hours for providing information and counseling on  
262.7 methamphetamine use and addiction.

262.8 Subd. 4. Annual report. The methamphetamine coordinator shall submit to the  
262.9 legislature an annual report by January 15 of each year beginning January 15, 2008,  
262.10 summarizing goals that have been established and met, and plans for the upcoming year.

262.11 Subd. 5. Office space. The commissioner of health shall provide the coordinator  
262.12 with adequate office space and administrative services.

262.13 Sec. 6. Minnesota Statutes 2004, section 144.9501, subdivision 1, is amended to read:

262.14 Subdivision 1. **Citation.** Sections 144.9501 to ~~144.9509~~ 144.9512 may be cited  
262.15 as the "Lead Poisoning Prevention Act."

262.16 Sec. 7. Minnesota Statutes 2004, section 144.9501, subdivision 2, is amended to read:

262.17 Subd. 2. **Applicability.** The definitions in this section apply to sections 144.9501 to  
262.18 ~~144.9509~~ 144.9512.

262.19 Sec. 8. Minnesota Statutes 2004, section 144.9501, is amended by adding a subdivision  
262.20 to read:

262.21 Subd. 9a. Eligible organization. "Eligible organization" means a city, board of  
262.22 health, community health department, community action agency, nonprofit organization,  
262.23 or community development corporation.

262.24 Sec. 9. Minnesota Statutes 2004, section 144.9503, subdivision 3, is amended to read:

262.25 Subd. 3. **Primary prevention lead education strategy.** The commissioner of  
262.26 health shall develop and maintain a primary prevention lead education strategy to prevent  
262.27 lead exposure. The strategy includes:

262.28 (1) lead education materials that describe the health effects of lead exposure, safety  
262.29 measures, and methods to be used in the lead hazard reduction process;

262.30 (2) providing lead education materials to the general public including, but not  
262.31 limited to, information on the dangers and hazards of jewelry containing lead;

263.1 (3) providing lead education materials to property owners, landlords, and tenants  
 263.2 by swab team workers and public health professionals, such as nurses, sanitarians,  
 263.3 health educators, nonprofit organizations working on lead issues, and other public health  
 263.4 professionals in areas at high risk for toxic lead exposure; and

263.5 (4) promoting awareness of community, legal, and housing resources.

263.6 **EFFECTIVE DATE.** This section is effective the day following final enactment.

263.7 Sec. 10. Minnesota Statutes 2004, section 144.9507, is amended by adding a  
 263.8 subdivision to read:

263.9 **Subd. 6. Medical assistance.** Medical assistance reimbursement for lead risk  
 263.10 assessment services under section 256B.0625, subdivision 49, shall not be used to replace  
 263.11 or decrease existing state or local funding for lead services and lead-related activities.

263.12 Sec. 11. **[144.9512] LEAD ABATEMENT PROGRAM.**

263.13 **Subdivision 1. Grants; administration.** Within the limits of the available  
 263.14 appropriation, the commissioner may make grants to eligible organizations to train  
 263.15 workers to provide swab team services for residential property. Grants may be awarded to  
 263.16 eligible organizations to provide technical assistance and training to ensure quality and  
 263.17 consistency within the statewide program.

263.18 **Subd. 2. Applicants.** (a) Interested eligible organizations may apply to the  
 263.19 commissioner for grants under this section. Two or more eligible organizations may  
 263.20 jointly apply for a grant. Priority shall be given to community action agencies in greater  
 263.21 Minnesota and to either community action agencies or neighborhood-based nonprofit  
 263.22 organizations in cities of the first class. Of the total annual appropriation, 12.5 percent may  
 263.23 be used for administrative purposes. The commissioner may deviate from this percentage  
 263.24 if a grantee can justify the need for a larger administrative allowance. Of this amount,  
 263.25 up to five percent may be used by the commissioner for state administrative purposes.  
 263.26 Applications must provide information requested by the commissioner, including at least  
 263.27 the information required to assess the factors listed in paragraph (d).

263.28 **(b) The commissioner must consult with boards of health to provide swab team**  
 263.29 **services for purposes of secondary prevention. The priority for swab teams created**  
 263.30 **by grants to eligible organizations under this section must be work assigned by the**  
 3.31 **commissioner, or by a board of health if so designated by the commissioner, to provide**  
 263.32 **secondary prevention swab team services to fulfill the requirements of section 144.9504,**  
 263.33 **subdivision 6, in response to a lead order. Swab teams assigned work under this section**  
 263.34 **by the commissioner, that are not engaged daily in fulfilling the requirements of section**

264.1 144.9504, subdivision 6, must deliver swab team services in response to elevated blood  
 264.2 lead levels as defined in section 144.9501, subdivision 9, where lead orders were not  
 264.3 issued, and for purposes of primary prevention in census tracts known to be in areas at  
 264.4 high risk for toxic lead exposure as described in section 144.9503, subdivision 2.

264.5 (c) Any additional money must be used for grants to establish swab teams for  
 264.6 primary prevention under section 144.9503 in census tracts in areas at high risk for toxic  
 264.7 lead exposure as determined under section 144.9503, subdivision 2.

264.8 (d) In evaluating grant applications, the commissioner must consider the following  
 264.9 criteria:

264.10 (1) plans for the provision of swab team services for primary and secondary  
 264.11 prevention;

264.12 (2) plans for resident and property owner education on lead safety;

264.13 (3) measures of program effectiveness;

264.14 (4) coordination of program activities with other federal, state, and local public  
 264.15 health and housing renovation programs; and

264.16 (5) prior experience in providing swab team services.

264.17 Subd. 3. Eligible grant activities. An eligible organization receiving a grant  
 264.18 under this section must ensure that all participating lead supervisors or certified firms are  
 264.19 licensed and that all swab team workers are certified by the Department of Health under  
 264.20 section 144.9505. Eligible organizations may participate in the program by:

264.21 (1) providing on-the-job training for swab team workers;

264.22 (2) providing swab team services to meet the requirements of sections 144.9503,  
 264.23 subdivision 4, and 144.9504, subdivision 6;

264.24 (3) providing lead hazard reduction to meet the requirements of section 144.9501,  
 264.25 subdivision 17;

264.26 (4) providing lead dust cleanup equipment and materials, as described in section  
 264.27 144.9503, subdivision 1, to residents; or

264.28 (5) having a swab team worker instruct residents and property owners on appropriate  
 264.29 lead control techniques, including the lead-safe directives developed by the commissioner.

264.30 Subd. 4. Swab team workers. Each worker engaged in swab team services  
 264.31 established under this section must have blood lead concentrations below 15 micrograms  
 264.32 of lead per deciliter of whole blood as determined by a baseline blood lead screening. Any  
 264.33 organization receiving a grant under this section is responsible for lead screening and must  
 264.34 ensure that all swab team workers meet the standards established in this subdivision.  
 264.35 Grantees must use appropriate workplace procedures including following the lead-safe  
 264.36 directives developed by the commissioner to reduce risk of elevated blood lead levels.

265.1 Grantees and participating contractors must report all employee blood lead levels that  
 265.2 exceed 15 micrograms of lead per deciliter of whole blood to the commissioner.

265.3 Subd. 5. Program benefits. As a condition of providing swab team services under  
 265.4 this section, an organization may require a property owner to not increase rents on a  
 265.5 property solely as a result of a substantial improvement made with public funds under the  
 265.6 programs in this section.

265.7 Subd. 6. Requirements of organizations receiving grants. An eligible  
 265.8 organization that is awarded a grant under this section must prepare and submit a quarterly  
 265.9 progress report to the commissioner beginning three months after receipt of the grant.

265.10 Sec. 12. [144.995] HEALTHY MINNESOTAN'S BIOMONITORING  
 265.11 PROGRAM.

265.12 Subdivision 1. Citation. Sections 144.995 to 144.999 may be cited as the healthy  
 265.13 Minnesotan's biomonitoring program.

265.14 Subd. 2. Definitions. (a) For purposes of sections 144.995 to 144.999, the  
 265.15 definitions in paragraphs (b) to (f) have the meanings given.

265.16 (b) "Biomonitoring" means the process by which the presence and concentration  
 265.17 of toxic chemicals and their metabolites are identified within a biospecimen as a means  
 265.18 to assess the accumulation of pollutants in a human body.

265.19 (c) "Biospecimen" means a sample of human blood, hair, urine, breast milk, body  
 265.20 fat, or other body tissue or any other biophysical substance that is reasonably available as  
 265.21 a medium to measure the presence and concentration of toxic chemicals.

265.22 (d) "Commissioner" means the commissioner of health.

265.23 (e) "Panel" means the Healthy Minnesotan's Biomonitoring Program Advisory  
 265.24 Panel established under section 144.996.

265.25 (f) "Toxic chemical" means a chemical:

265.26 (1) for which data provided by scientific, peer-reviewed animal, cell, or human  
 265.27 studies have demonstrated the chemical is known or strongly suspected to negatively  
 265.28 impact human health by contributing to an increase in serious illness or mortality; and

265.29 (2) that has been identified according to section 144.997.

265.30 Subd. 3. Establishment; duties. (a) The commissioner shall establish the healthy  
 265.31 Minnesotan's biomonitoring program. The program shall provide community-based  
 265.32 biomonitoring on a strictly voluntary and confidential basis by utilizing biospecimens, as  
 265.33 appropriate, to identify toxic chemicals that may be present in the environment.

265.34 (b) Initially, to the extent that funds are available, the program shall examine breast  
 265.35 milk in three economically, racially, and geographically diverse communities and identify

266.1 any toxic chemical that is present in the breast milk. The commissioner shall expand  
266.2 the program, to the extent that funds are available, by examining other biospecimens in  
266.3 additional communities.

266.4 (c) When a toxic chemical is detected in a program participant, the commissioner, in  
266.5 consultation with the commissioners of agriculture, natural resources, and the Pollution  
266.6 Control Agency, and other public or private entities, as appropriate, shall examine the  
266.7 possible presence of the toxic chemical in the surrounding environment and possible  
266.8 routes of exposure and disease outcomes and shall develop recommendations to reduce or  
266.9 minimize possible contamination or exposure to the toxic chemical.

266.10 Subd. 4. Participation. (a) Participation in the biomonitoring program is voluntary.  
266.11 All participants shall be evaluated for the presence of toxic chemicals as a component of  
266.12 the biomonitoring process. Participants shall receive consultation, health care referrals,  
266.13 and follow-up counseling and shall be offered educational materials including, but not  
266.14 limited to, information regarding possible routes of exposure, ways to reduce exposure,  
266.15 and the availability of state and local resources.

266.16 (b) Data collected under the biomonitoring program are health data for purposes of  
266.17 section 13.3805 and shall not be made public without the written and informed consent of  
266.18 the individual to whom it pertains.

266.19 Subd. 5. Program guidelines. (a) The commissioner, in consultation with the  
266.20 panel, shall develop:

266.21 (1) model protocols or program guidelines that address the science and practice of  
266.22 biomonitoring to be utilized and procedures for changing those protocols to incorporate  
266.23 new and more accurate or efficient technologies as they become available. The model  
266.24 protocols shall be developed utilizing a peer review process in a manner that is  
266.25 participatory and community-based in design, implementation, and evaluation;

266.26 (2) guidelines for ensuring confidentiality; informed consent; follow-up counseling  
266.27 and support; and communicating findings to participants, communities, and the general  
266.28 public;

266.29 (3) educational and outreach materials that are culturally appropriate for  
266.30 dissemination to program participants and communities. Priority shall be given to the  
266.31 development of materials specifically designed to ensure that parents are informed about  
266.32 all of the benefits of breastfeeding so that the program does not result in an unjustified fear  
266.33 of toxins in breast milk, which might inadvertently lead parents to avoid breastfeeding.  
266.34 The materials shall communicate relevant scientific findings; data on the accumulation of  
266.35 pollutants; possible routes of exposure; population-based health effects and toxicity; the

267.1 benefits of linking the accumulation of pollutants to community health; and the required  
267.2 responses by local, state, and other governmental entities in regulating toxicant exposures;

267.3 (4) a training program that is culturally sensitive specifically for health care  
267.4 providers, health educators, and other program administrators; and

267.5 (5) a designation process for state and private laboratories that are qualified to  
267.6 analyze biospecimens and report the findings.

267.7 (b) The commissioner may enter into contractual agreements with health clinics,  
267.8 community-based organizations, or experts in a particular field to perform any of the  
267.9 activities described under this subdivision.

267.10 **EFFECTIVE DATE.** This section is effective July 1, 2006, or upon receiving  
267.11 sufficient nonstate funds to implement the healthy Minnesotan's biomonitoring program,  
267.12 whichever is later. In the event that nonstate funds are not secured by the commissioner  
267.13 of health to adequately fund the implementation of the program, the commissioner is  
267.14 not required to implement Minnesota Statutes, section 144.995, without subsequent  
267.15 appropriation from the legislature.

267.16 Sec. 13. **[144.996] HEALTHY MINNESOTAN'S BIOMONITORING PROGRAM**  
267.17 **ADVISORY PANEL.**

267.18 **Subdivision 1. Creation.** (a) The commissioner shall establish the Healthy  
267.19 Minnesotan's Biomonitoring Program Advisory Panel. The panel shall be composed of  
267.20 two committees, the scientific committee and the community representative committee,  
267.21 with a membership of eight voting members on each committee. The community  
267.22 representative committee shall also include nonvoting members appointed according  
267.23 to subdivision 2, paragraph (d).

267.24 (b) The commissioner shall appoint, from the panel's membership, the chair of each  
267.25 of the committees, who shall also serve as cochairs of the panel.

267.26 (c) The panel shall meet as often as it deems necessary, but at a minimum on a  
267.27 quarterly basis.

267.28 (d) Members of the panel and the committees shall serve without compensation but  
267.29 shall be reimbursed for travel and other necessary expenses incurred through performance  
267.30 of their duties under sections 144.995 to 144.997.

267.31 **Subd. 2. Membership.** (a) Eight of the voting members shall be appointed by  
267.32 the commissioner, four of the voting members shall be appointed under the rules of the  
267.33 senate, and four of the voting members shall be appointed under the rules of the house of  
267.34 representatives. Nonvoting members shall be appointed by the commissioner according  
267.35 to paragraph (d). All members shall be appointed to the panel by July 1, 2006. Each



268.1 voting member shall be appointed for a three-year term. All appointments made by the  
268.2 commissioner shall be approved by the governor.

268.3 (b) The scientific committee shall be composed of eight members with background  
268.4 or training in interpreting biomonitoring studies or in related fields or science including,  
268.5 but not limited to, the fields of health tracking, social science, laboratory science,  
268.6 occupational health, industrial hygiene, toxicology, epidemiology, environmental health,  
268.7 environmental hazards, and public health.

268.8 (c) The community representative committee shall be composed of eight members  
268.9 from the following nongovernmental organizations:

268.10 (1) one member from a breast cancer awareness organization;

268.11 (2) one member from an organization with a focus on environmental health;

268.12 (3) one member from an organization with a focus on environmental justice;

268.13 (4) one member from an organization with a focus on child environmental health;

268.14 (5) one member from an organization promoting breastfeeding;

268.15 (6) one member from a labor organization;

268.16 (7) one member from private industry with a verifiable and consistent commitment  
268.17 to sustainable core business practices that reduce environmental toxins; and

268.18 (8) one member from a public health organization.

268.19 (d) The commissioner shall appoint the following additional nonvoting members to  
268.20 the community representative committee:

268.21 (1) one representative from the Maternal and Child Health Division of the  
268.22 Department of Health; and

268.23 (2) one member from each participating community.

268.24 Members appointed under this paragraph may be reappointed at any time and are not  
268.25 subject to the three-year term.

268.26 Subd. 3. Committee duties. (a) The scientific committee shall make  
268.27 recommendations to the panel on:

268.28 (1) chemicals that should be added to or deleted from the list of chemicals identified  
268.29 under section 144.997;

268.30 (2) priorities for biomonitoring in Minnesota;

268.31 (3) the adequacy and appropriate interpretation of biomonitoring investigations  
268.32 carried out under the program; and

268.33 (4) collecting and analyzing data, including the tracking of diseases for which there  
268.34 is scientific evidence of an environmental etiology.

268.35 (b) The community representative committee shall make recommendations to the  
268.36 panel on:

- 269.1 (1) study sites or communities for the program;  
269.2 (2) identifying possible community partners;  
269.3 (3) training programs and educational and outreach materials; and  
269.4 (4) dissemination of findings to biomonitoring program participants and to the  
269.5 general public.

269.6 **EFFECTIVE DATE.** This section is effective July 1, 2006, or upon receiving  
269.7 sufficient nonstate funds to implement the healthy Minnesotan's biomonitoring program,  
269.8 whichever is later. In the event that nonstate funds are not secured by the commissioner  
269.9 of health to adequately fund the implementation of the program, the commissioner is  
269.10 not required to implement Minnesota Statutes, section 144.996, without subsequent  
269.11 appropriation from the legislature.

269.12 Sec. 14. [144.997] TOXIC CHEMICALS.

269.13 Subdivision 1. Identification. The commissioner shall identify and list toxic  
269.14 chemicals that shall be included within the scope of the healthy Minnesotan's  
269.15 biomonitoring program. To be included on the list, all of the following criteria must be  
269.16 met:

269.17 (1) the chemical is recommended for inclusion by the scientific committee under  
269.18 section 144.996;

269.19 (2) the scientific, peer-reviewed data from animal, cell, or human studies have  
269.20 demonstrated the chemical is known or strongly suspected to negatively impact human  
269.21 health by contributing to an increase in serious illness or mortality;

269.22 (3) Minnesotans are exposed to the chemical; and

269.23 (4) the chemical is listed as a toxic chemical on either a state or federal list.

269.24 Subd. 2. Implementation. (a) The commissioner shall prioritize the toxic chemicals  
269.25 under subdivision 1 according to the threat the chemicals pose to public health.

269.26 (b) The commissioner shall initially implement the biomonitoring activities of the  
269.27 program with regard to the 20 toxic chemicals that present the greatest public health risk.

269.28 (c) The commissioner shall add additional chemicals in order of priority to the  
269.29 extent funds are available.

269.30 **EFFECTIVE DATE.** This section is effective July 1, 2006, or upon receiving  
269.31 sufficient nonstate funds to implement the healthy Minnesotan's biomonitoring program,  
269.32 whichever is later. In the event that nonstate funds are not secured by the commissioner  
269.33 of health to adequately fund the implementation of the program, the commissioner is

270.1 not required to implement Minnesota Statutes, section 144.997, without subsequent  
270.2 appropriation from the legislature.

270.3 **Sec. 15. [144.998] BIOMONITORING FISCAL PROVISIONS.**

270.4 **Subdivision 1. Creation of account. A healthy Minnesotan's biomonitoring**  
270.5 **program account is established in the state government special revenue fund. The account**  
270.6 **consists of money appropriated by the legislature and any other funds identified for use by**  
270.7 **the healthy Minnesotan's biomonitoring program. All interest earned on money deposited**  
270.8 **into the account shall be retained in the account. Money in the account is appropriated**  
270.9 **to the commissioner for the purpose of implementing the healthy Minnesotan's**  
270.10 **biomonitoring program.**

270.11 **Subd. 2. Other funding. The commissioner shall seek funding from federal and**  
270.12 **private sources.**

270.13 **EFFECTIVE DATE. This section is effective July 1, 2006, or upon receiving**  
270.14 **sufficient nonstate funds to implement the healthy Minnesotan's biomonitoring program,**  
270.15 **whichever is later. In the event that nonstate funds are not secured by the commissioner**  
270.16 **of health to adequately fund the implementation of the program, the commissioner is**  
270.17 **not required to implement Minnesota Statutes, section 144.998, without subsequent**  
270.18 **appropriation from the legislature.**

270.19 **Sec. 16. [144.999] BIOMONITORING REPORTS.**

270.20 **(a) By January 15, 2008, the commissioner shall submit a report to the legislature**  
270.21 **summarizing the initial activities of the healthy Minnesotan's biomonitoring program,**  
270.22 **including a program description, the methodology used, and the initial outcomes.**

270.23 **(b) Thereafter, the commissioner shall prepare a biennial report describing the**  
270.24 **effectiveness of the program, including analysis of the health and environmental exposure**  
270.25 **data collected to adequately monitor the activities under section 144.995. The report shall**  
270.26 **be made available to local public health departments and the general public in a summary**  
270.27 **format that protects the confidentiality of program participants. The commissioner shall**  
270.28 **disseminate the report via the Department of Health's Web site.**

270.29 **EFFECTIVE DATE. This section is effective July 1, 2006, or upon receiving**  
270.30 **sufficient nonstate funds to implement the healthy Minnesotan's biomonitoring program,**  
270.31 **whichever is later. In the event that nonstate funds are not secured by the commissioner**  
270.32 **of health to adequately fund the implementation of the program, the commissioner is**

271.1 not required to implement Minnesota Statutes, section 144.999, without subsequent  
 271.2 appropriation from the legislature.

271.3 Sec. 17. Laws 2005, First Special Session chapter 4, article 9, section 3, subdivision 2,  
 271.4 is amended to read:

271.5 **Subd. 2. Community and Family Health**  
 271.6 **Improvement**

271.7 Summary by Fund

271.8	General	40,413,000	40,382,000
271.9	State Government Special		
271.10	Revenue	141,000	128,000
271.11	Health Care Access	3,510,000	3,516,000
271.12	Federal TANF	6,000,000	6,000,000

271.13 ~~FAMILY PLANNING BASE~~

271.14 ~~REDUCTION. Base level funding for~~

271.15 ~~the family planning special projects grant~~

271.16 ~~program is reduced by \$1,877,000 each~~

271.17 ~~year of the biennium beginning July 1,~~

271.18 ~~2007, provided that this reduction shall~~

271.19 ~~only take place upon full implementation of~~

271.20 ~~the family planning project section of the~~

271.21 ~~1115 waiver. Notwithstanding Minnesota~~

271.22 ~~Statutes, section 145.925, the commissioner~~

271.23 ~~shall give priority to community health care~~

271.24 ~~clinics providing family planning services~~

271.25 ~~that either serve a high number of women~~

271.26 ~~who do not qualify for medical assistance~~

271.27 ~~or are unable to participate in the medical~~

271.28 ~~assistance program as a medical assistance~~

271.29 ~~provider when allocating the remaining~~

271.30 ~~appropriations. Notwithstanding section 15,~~

271.31 ~~this paragraph shall not expire.~~

271.32 **SHAKEN BABY VIDEO.** Of the

271.33 state government special revenue fund

272.1 appropriation, \$13,000 in 2006 is  
 272.2 appropriated to the commissioner of health  
 272.3 to provide a video to hospitals on shaken  
 272.4 baby syndrome. The commissioner of health  
 272.5 shall assess a fee to hospitals to cover the  
 272.6 cost of the approved shaken baby video and  
 272.7 the revenue received is to be deposited in the  
 272.8 state government special revenue fund.

272.9 **Sec. 18. LEAD REDUCTION STUDY.**

272.10 The commissioner of health, in consultation with the Department of Employment  
 272.11 and Economic Development, the Minnesota Housing Finance Agency, and the Department  
 272.12 of Human Services, shall develop and evaluate the best strategies to reduce the number of  
 272.13 children endangered by lead paint. The study shall make recommendations on how to:

- 272.14 (1) promote and encourage primary prevention;  
 272.15 (2) ensure that all children at risk are tested; and  
 272.16 (3) provide a lead prevention program to assist families and protect children with  
 272.17 blood lead levels more than five micrograms of lead per deciliter of whole blood from  
 272.18 reaching levels of ten micrograms or greater.

272.19 The commissioner shall submit the results of the study and any recommendations,  
 272.20 including any necessary legislative changes to the legislature by January 15, 2007.

272.21 **Sec. 19. REVISOR'S INSTRUCTION.**

272.22 The revisor of statutes shall change the range reference "144.9501 to 144.9509"  
 272.23 to "144.9501 to 144.9512" wherever the reference appears in Minnesota Statutes and  
 272.24 Minnesota Rules.

272.25 **Sec. 20. REPEALER.**

272.26 Minnesota Statutes 2004, section 119A.46, subdivisions 4, 5, 6, 7, 9, and 10; and  
 272.27 Minnesota Statutes 2005 Supplement, section 119A.46, subdivisions 1, 2, 3, and 8, are  
 272.28 repealed.

272.29 **ARTICLE 20**  
 272.30 **HEALTH CARE**

272.31 Section 1. Minnesota Statutes 2004, section 47.58, subdivision 8, is amended to read:

273.1           **Subd. 8. Counseling; requirement; penalty.** A lender, mortgage banking company,  
 273.2 or other mortgage lender not related to the mortgagor must keep a certificate on file  
 273.3 documenting that the borrower, prior to entering into the reverse mortgage loan, received  
 273.4 counseling as defined in this subdivision from an organization that meets the requirements  
 273.5 of section 462A.209 and is a housing counseling agency approved by the Department of  
 273.6 Housing and Urban Development. The certificate must be signed by the mortgagor and  
 273.7 the counselor and include the date of the counseling, the name, address, and telephone  
 273.8 number of both the mortgagor and the organization providing counseling. A failure by  
 273.9 the lender to comply with this subdivision results in a \$1,000 civil penalty payable to  
 273.10 the mortgagor. For the purposes of this subdivision, "counseling" means the following  
 273.11 services are provided to the borrower:

- 273.12           (1) a review of the advantages and disadvantages of reverse mortgage programs;
- 273.13           (2) an explanation of how the reverse mortgage affects the borrower's estate and  
 273.14 public benefits;
- 273.15           (3) an explanation of the lending process;
- 273.16           (4) a discussion of the borrower's supplemental income needs; ~~and~~
- 273.17           (5) an explanation of the provisions of sections 256B.0913, subdivision 17, and  
 273.18 462A.05, subdivision 42; and
- 273.19           (6) an opportunity to ask questions of the counselor.

273.20           **Sec. 2.** Minnesota Statutes 2004, section 144A.071, subdivision 4c, is amended to read:

273.21           **Subd. 4c. Exceptions for replacement beds after June 30, 2003.** (a) The  
 273.22 commissioner of health, in coordination with the commissioner of human services, may  
 273.23 approve the renovation, replacement, upgrading, or relocation of a nursing home or  
 273.24 boarding care home, under the following conditions:

- 273.25           (1) to license and certify an 80-bed city-owned facility in Nicollet County to be  
 273.26 constructed on the site of a new city-owned hospital to replace an existing 85-bed facility  
 273.27 attached to a hospital that is also being replaced. The threshold allowed for this project  
 273.28 under section 144A.073 shall be the maximum amount available to pay the additional  
 273.29 medical assistance costs of the new facility;
- 273.30           (2) to license and certify 29 beds to be added to an existing 69-bed facility in St.  
 273.31 Louis County, provided that the 29 beds must be transferred from active or layaway status  
 273.32 at an existing facility in St. Louis County that had 235 beds on April 1, 2003.

273.33           The licensed capacity at the 235-bed facility must be reduced to 206 beds, but the payment  
 273.34 rate at that facility shall not be adjusted as a result of this transfer. The operating payment  
 273.35 rate of the facility adding beds after completion of this project shall be the same as it was

274.1 on the day prior to the day the beds are licensed and certified. This project shall not  
274.2 proceed unless it is approved and financed under the provisions of section 144A.073; and

274.3 (3) to license and certify a new 60-bed facility in Austin, provided that: (i) 45 of  
274.4 the new beds are transferred from a 45-bed facility in Austin under common ownership  
274.5 that is closed and 15 of the new beds are transferred from a 182-bed facility in Albert Lea  
274.6 under common ownership; (ii) the commissioner of human services is authorized by the  
274.7 2004 legislature to negotiate budget-neutral planned nursing facility closures; and (iii)  
274.8 money is available from planned closures of facilities under common ownership to make  
274.9 implementation of this clause budget-neutral to the state. The bed capacity of the Albert  
274.10 Lea facility shall be reduced to 167 beds following the transfer. Of the 60 beds at the  
274.11 new facility, 20 beds shall be used for a special care unit for persons with Alzheimer's  
274.12 disease or related dementias; and

274.13 (4) to license and certify up to 80 beds transferred from an existing state-owned  
274.14 nursing facility in Cass County to a new facility in the same county. The operating  
274.15 cost payment rates for the new facility shall be determined based on the interim and  
274.16 settle-up payment provisions of Minnesota Rules, part 9549.0057, and the reimbursement  
274.17 provisions of section 256B.431. The property payment rate for the first three years of  
274.18 operation shall be \$25 per day.

274.19 (b) Projects approved under this subdivision shall be treated in a manner equivalent  
274.20 to projects approved under subdivision 4a.

274.21 **Sec. 3. [144A.441] ASSISTED LIVING BILL OF RIGHTS ADDENDUM.**

274.22 Assisted living clients, as defined in section 144G.01, subdivision 3, shall be  
274.23 provided with the home care bill of rights required by section 144A.44, except that the  
274.24 home care bill of rights provided to these clients must include the following provision in  
274.25 place of the provision in section 144A.44, subdivision 1, clause (16):

274.26 "(16) the right to reasonable, advance notice of changes in services or charges,  
274.27 including at least 30 days' advance notice of the termination of a service by a provider,  
274.28 except in cases where:

274.29 (i) the recipient of services engages in conduct that alters the conditions of  
274.30 employment as specified in the employment contract between the home care provider  
274.31 and the individual providing home care services, or creates an abusive or unsafe work  
274.32 environment for the individual providing home care services;

274.33 (ii) an emergency for the informal caregiver or a significant change in the recipient's  
274.34 condition has resulted in service needs that exceed the current service provider agreement  
274.35 and that cannot be safely met by the home care provider; or

275.1 (iii) the provider has not received payment for services, for which at least ten days'  
 275.2 advance notice of the termination of a service shall be provided."

275.3 EFFECTIVE DATE. This section is effective January 1, 2007.

275.4 Sec. 4. [144A.442] TERMINATION OF HOME CARE SERVICES FOR  
 275.5 ASSISTED LIVING CLIENTS.

275.6 If an arranged home care provider, as defined in section 144D.01, subdivision 2a,  
 275.7 who is not also Medicare certified terminates a service agreement or service plan with  
 275.8 an assisted living client, as defined in section 144G.01, subdivision 3, the home care  
 275.9 provider shall provide the assisted living client and the legal or designated representatives  
 275.10 of the client, if any, with a written notice of termination which includes the following  
 275.11 information:

275.12 (1) the effective date of termination;

275.13 (2) the reason for termination;

275.14 (3) without extending the termination notice period, an affirmative offer to meet with  
 275.15 the assisted living client or client representatives within no more than five business days of  
 275.16 the date of the termination notice to discuss the termination;

275.17 (4) contact information for a reasonable number of other home care providers in  
 275.18 the geographic area of the assisted living client, as required by Minnesota Rules, part  
 275.19 4668.0050;

275.20 (5) a statement that the provider will participate in a coordinated transfer of the care  
 275.21 of the client to another provider or caregiver, as required by section 144A.44, subdivision  
 275.22 1, clause (17);

275.23 (6) the name and contact information of a representative of the home care provider  
 275.24 with whom the client may discuss the notice of termination;

275.25 (7) a copy of the home care bill of rights; and

275.26 (8) a statement that the notice of termination of home care services by the home care  
 275.27 provider does not constitute notice of termination of the housing with services contract  
 275.28 with a housing with services establishment.

275.29 EFFECTIVE DATE. This section is effective January 1, 2007.

275.30 Sec. 5. Minnesota Statutes 2004, section 144A.4605, is amended to read:

275.31 144A.4605 ~~ASSISTED LIVING HOME CARE~~ CLASS F PROVIDER.

275.32 Subdivision 1. Definitions. For purposes of this section, the term "assisted  
 275.33 living class F home care provider" means a home care provider who provides nursing



276.1 services, delegated nursing services, other services performed by unlicensed personnel, or  
276.2 central storage of medications solely for residents of one or more housing with services  
276.3 establishments registered under chapter 144D.

276.4 Subd. 2. ~~Assisted living Class F home care license established.~~ A home care  
276.5 provider license category entitled ~~assisted living class F~~ home care provider is hereby  
276.6 established. A home care provider may obtain ~~an assisted living~~ a class F license if the  
276.7 program meets the following requirements:

276.8 (a) nursing services, delegated nursing services, other services performed by  
276.9 unlicensed personnel, or central storage of medications under the ~~assisted living class~~  
276.10 F license are provided solely for residents of one or more housing with services  
276.11 establishments registered under chapter 144D;

276.12 (b) unlicensed personnel perform home health aide and home care aide tasks  
276.13 identified in Minnesota Rules, parts 4668.0100, subparts 1 and 2, and 4668.0110, subpart 1.  
276.14 Qualifications to perform these tasks shall be established in accordance with subdivision 3;

276.15 (c) periodic supervision of unlicensed personnel is provided as required by rule;

276.16 (d) notwithstanding Minnesota Rules, part 4668.0160, subpart 6, item D, client  
276.17 records shall include:

276.18 (1) daily records or a weekly summary of home care services provided;

276.19 (2) documentation each time medications are administered to a client; and

276.20 (3) documentation on the day of occurrence of any significant change in the client's  
276.21 status or any significant incident, such as a fall or refusal to take medications.

276.22 All entries must be signed by the staff providing the services and entered into the  
276.23 record no later than two weeks after the end of the service day, except as specified in  
276.24 clauses (2) and (3);

276.25 (e) medication and treatment orders, if any, are included in the client record and  
276.26 are renewed at least every 12 months, or more frequently when indicated by a clinical  
276.27 assessment;

276.28 (f) the central storage of medications in a housing with services establishment  
276.29 registered under chapter 144D is managed under a system that is established by a  
276.30 registered nurse and addresses the control of medications, handling of medications,  
276.31 medication containers, medication records, and disposition of medications; and

276.32 (g) in other respects meets the requirements established by rules adopted under  
276.33 sections 144A.45 to 144A.47.

276.34 Subd. 3. **Training or competency evaluations required.** (a) Unlicensed personnel  
276.35 must:

277.1 (1) satisfy the training or competency requirements established by rule under  
277.2 sections 144A.45 to 144A.47; or

277.3 (2) be trained or determined competent by a registered nurse in each task identified  
277.4 under Minnesota Rules, part 4668.0100, subparts 1 and 2, when offered to clients in a  
277.5 housing with services establishment as described in paragraphs (b) to (e).

277.6 (b) Training for tasks identified under Minnesota Rules, part 4668.0100, subparts  
277.7 1 and 2, shall use a curriculum which meets the requirements in Minnesota Rules, part  
277.8 4668.0130.

277.9 (c) Competency evaluations for tasks identified under Minnesota Rules, part  
277.10 4668.0100, subparts 1 and 2, must be completed and documented by a registered nurse.

277.11 (d) Unlicensed personnel performing tasks identified under Minnesota Rules, part  
277.12 4668.0100, subparts 1 and 2, shall be trained or demonstrate competency in the following  
277.13 topics:

277.14 (1) an overview of sections 144A.43 to 144A.47 and rules adopted thereunder;

277.15 (2) recognition and handling of emergencies and use of emergency services;

277.16 (3) reporting the maltreatment of vulnerable minors or adults under sections 626.556  
277.17 and 626.557;

277.18 (4) home care bill of rights;

277.19 (5) handling of clients' complaints and reporting of complaints to the Office of  
277.20 Health Facility Complaints;

277.21 (6) services of the ombudsman for older Minnesotans;

277.22 (7) observation, reporting, and documentation of client status and of the care or  
277.23 services provided;

277.24 (8) basic infection control;

277.25 (9) maintenance of a clean, safe, and healthy environment;

277.26 (10) communication skills;

277.27 (11) basic elements of body functioning and changes in body function that must be  
277.28 reported to an appropriate health care professional; and

277.29 (12) physical, emotional, and developmental needs of clients, and ways to work with  
277.30 clients who have problems in these areas, including respect for the client, the client's  
277.31 property, and the client's family.

277.32 (e) Unlicensed personnel who administer medications must comply with rules  
277.33 relating to the administration of medications in Minnesota Rules, part 4668.0100, subpart  
277.34 2, except that unlicensed personnel need not comply with the requirements of Minnesota  
277.35 Rules, part 4668.0100, subpart 5.

278.1 Subd. 4. **License required.** (a) A housing with services establishment registered  
278.2 under chapter 144D that is required to obtain a home care license must obtain ~~an assisted~~  
278.3 ~~living~~ a class F home care license according to this section or a class A or class ~~E~~ B license  
278.4 according to rule. A housing with services establishment that obtains a class ~~E~~ B license  
278.5 under this subdivision remains subject to the payment limitations in sections 256B.0913,  
278.6 subdivision 5f, paragraph (b), and 256B.0915, subdivision 3d.

278.7 (b) A board and lodging establishment registered for special services as of December  
278.8 31, 1996, and also registered as a housing with services establishment under chapter  
278.9 144D, must deliver home care services according to sections 144A.43 to 144A.47, and  
278.10 may apply for a waiver from requirements under Minnesota Rules, parts 4668.0002 to  
278.11 4668.0240, to operate a licensed agency under the standards of section 157.17. Such  
278.12 waivers as may be granted by the department will expire upon promulgation of home care  
278.13 rules implementing section 144A.4605.

278.14 ~~(c) An adult foster care provider licensed by the Department of Human Services and~~  
278.15 ~~registered under chapter 144D may continue to provide health-related services under its~~  
278.16 ~~foster care license until the promulgation of home care rules implementing this section.~~

278.17 ~~(d) An assisted living~~ (c) A class F home care provider licensed under this section  
278.18 must comply with the disclosure provisions of section 325F.72 to the extent they are  
278.19 applicable.

278.20 Subd. 5. **License fees.** The license fees for ~~assisted living~~ class F home care  
278.21 providers shall be as follows:

278.22 (1) \$125 annually for those providers serving a monthly average of 15 or fewer  
278.23 clients, and for ~~assisted living~~ class F providers of all sizes during the first year of  
278.24 operation;

278.25 (2) \$200 annually for those providers serving a monthly average of 16 to 30 clients;

278.26 (3) \$375 annually for those providers serving a monthly average of 31 to 50 clients;

278.27 and

278.28 (4) \$625 annually for those providers serving a monthly average of 51 or more  
278.29 clients.

278.30 Subd. 6. **Waiver.** Upon request of the home care provider, the commissioner may  
278.31 waive the provisions of this section relating to registered nurse duties.

278.32 **EFFECTIVE DATE.** This section is effective January 1, 2007.

278.33 Sec. 6. Minnesota Statutes 2004, section 144D.01, is amended by adding a subdivision  
278.34 to read:

279.1 Subd. 2a. Arranged home care provider. "Arranged home care provider" means a  
 279.2 home care provider licensed under Minnesota Rules, chapter 4668, that provides services  
 279.3 to some or all of the residents of a housing with services establishment and that is either  
 279.4 the establishment itself or another entity with which the establishment has an arrangement.

279.5 EFFECTIVE DATE. This section is effective January 1, 2007.

279.6 Sec. 7. Minnesota Statutes 2004, section 144D.015, is amended to read:

279.7 **144D.015 ASSISTED LIVING FACILITY OR ASSISTED LIVING**  
 279.8 **RESIDENCE DEFINITION FOR PURPOSES OF LONG-TERM CARE**  
 279.9 **INSURANCE.**

279.10 For purposes of consistency with terminology commonly used in long-term  
 279.11 care insurance policies and notwithstanding chapter 144G, a housing with services  
 279.12 establishment that is registered under section 144D.03 and that holds, or ~~contracts~~ makes  
 279.13 arrangements with an individual or entity that holds, ~~a~~ any type of home care license and  
 279.14 all other licenses, permits, registrations, or other governmental approvals legally required  
 279.15 for delivery of the services the establishment offers or provides to its residents, constitutes  
 279.16 an "assisted living facility" or "assisted living residence."

279.17 EFFECTIVE DATE. This section is effective January 1, 2007.

279.18 Sec. 8. Minnesota Statutes 2004, section 144D.02, is amended to read:

279.19 **144D.02 REGISTRATION REQUIRED.**

279.20 No entity may establish, operate, conduct, or maintain ~~an elderly~~ a housing with  
 279.21 services establishment in this state without registering and operating as required in  
 279.22 sections 144D.01 to 144D.06.

279.23 EFFECTIVE DATE. This section is effective January 1, 2007.

279.24 Sec. 9. Minnesota Statutes 2004, section 144D.03, subdivision 2, is amended to read:

279.25 **Subd. 2. Registration information.** The establishment shall provide the following  
 279.26 information to the commissioner in order to be registered:

- 279.27 (1) the business name, street address, and mailing address of the establishment;  
 279.28 (2) the name and mailing address of the owner or owners of the establishment and, if  
 279.29 the owner or owners are not natural persons, identification of the type of business entity  
 279.30 of the owner or owners, and the names and addresses of the officers and members of the

280.1 governing body, or comparable persons for partnerships, limited liability corporations, or  
280.2 other types of business organizations of the owner or owners;

280.3 (3) the name and mailing address of the managing agent, whether through  
280.4 management agreement or lease agreement, of the establishment, if different from the  
280.5 owner or owners, and the name of the on-site manager, if any;

280.6 (4) verification that the establishment has entered into ~~an elderly~~ a housing with  
280.7 services contract, as required in section 144D.04, with each resident or resident's  
280.8 representative;

280.9 (5) verification that the establishment is complying with the requirements of section  
280.10 325F.72, if applicable;

280.11 (6) the name and address of at least one natural person who shall be responsible  
280.12 for dealing with the commissioner on all matters provided for in sections 144D.01 to  
280.13 144D.06, and on whom personal service of all notices and orders shall be made, and who  
280.14 shall be authorized to accept service on behalf of the owner or owners and the managing  
280.15 agent, if any; and

280.16 (7) the signature of the authorized representative of the owner or owners or, if  
280.17 the owner or owners are not natural persons, signatures of at least two authorized  
280.18 representatives of each owner, one of which shall be an officer of the owner.

280.19 Personal service on the person identified under clause (6) by the owner or owners in  
280.20 the registration shall be considered service on the owner or owners, and it shall not be a  
280.21 defense to any action that personal service was not made on each individual or entity. The  
280.22 designation of one or more individuals under this subdivision shall not affect the legal  
280.23 responsibility of the owner or owners under sections 144D.01 to 144D.06.

280.24 **EFFECTIVE DATE.** This section is effective January 1, 2007.

280.25 Sec. 10. Minnesota Statutes 2004, section 144D.04, is amended to read:

280.26 **144D.04 ELDERLY HOUSING WITH SERVICES CONTRACTS.**

280.27 Subdivision 1. **Contract required.** No ~~elderly~~ housing with services establishment  
280.28 may operate in this state unless a written ~~elderly~~ housing with services contract, as defined  
280.29 in subdivision 2, is executed between the establishment and each resident or resident's  
280.30 representative and unless the establishment operates in accordance with the terms of the  
280.31 contract. The resident or the resident's representative shall be given a complete copy of  
280.32 the contract and all supporting documents and attachments and any changes whenever  
280.33 changes are made.

281.1 Subd. 2. **Contents of contract.** ~~An elderly~~ A housing with services contract, which  
 281.2 need not be entitled as such to comply with this section, shall include at least the following  
 281.3 elements in itself or through supporting documents or attachments:

281.4 (1) the name, street address, and mailing address of the establishment;

281.5 (2) the name and mailing address of the owner or owners of the establishment and, if  
 281.6 the owner or owners is not a natural person, identification of the type of business entity  
 281.7 of the owner or owners;

281.8 (3) the name and mailing address of the managing agent, through management  
 281.9 agreement or lease agreement, of the establishment, if different from the owner or owners;

281.10 (4) the name and address of at least one natural person who is authorized to accept  
 281.11 service of process on behalf of the owner or owners and managing agent;

281.12 (5) a statement describing the registration and licensure status of the establishment  
 281.13 and any provider providing health-related or supportive services under an arrangement  
 281.14 with the establishment;

281.15 (6) the term of the contract;

281.16 (7) a description of the services to be provided to the resident in the base rate to  
 281.17 be paid by resident;

281.18 (8) a description of any additional services, including home care services, available  
 281.19 for an additional fee from the establishment directly or through arrangements with the  
 281.20 establishment, and a schedule of fees charged for these services;

281.21 ~~(9) fee schedules outlining the cost of any additional services;~~

281.22 ~~(10)~~ (9) a description of the process through which the contract may be modified,  
 281.23 amended, or terminated;

281.24 ~~(11)~~ (10) a description of the establishment's complaint resolution process available  
 281.25 to residents including the toll-free complaint line for the Office of Ombudsman for Older  
 281.26 Minnesotans;

281.27 ~~(12)~~ (11) the resident's designated representative, if any;

281.28 ~~(13)~~ (12) the establishment's referral procedures if the contract is terminated;

281.29 ~~(14) criteria~~ (13) requirements of residency used by the establishment to determine  
 281.30 who may reside or continue to reside in the ~~elderly~~ housing with services establishment;

281.31 ~~(15)~~ (14) billing and payment procedures and requirements;

281.32 ~~(16)~~ (15) a statement regarding the ability of residents to receive services from  
 281.33 service providers with whom the establishment does not have an arrangement; and

281.34 ~~(17)~~ (16) a statement regarding the availability of public funds for payment for  
 281.35 residence or services in the establishment; and

282.1 (17) a statement regarding the availability of and contact information for long-  
 282.2 term care consultation services under section 256B.0911 in the county in which the  
 282.3 establishment is located.

282.4 Subd. 3. **Contracts in permanent files.** ~~Elderly~~ Housing with services contracts  
 282.5 and related documents executed by each resident or resident's representative shall be  
 282.6 maintained by the establishment in files from the date of execution until three years after  
 282.7 the contract is terminated. The contracts and the written disclosures required under section  
 282.8 325F.72, if applicable, shall be made available for on-site inspection by the commissioner  
 282.9 upon request at any time.

282.10 **EFFECTIVE DATE.** This section is effective January 1, 2007.

282.11 Sec. 11. **[144D.045] INFORMATION CONCERNING ARRANGED HOME**  
 282.12 **CARE PROVIDERS.**

282.13 If a housing with services establishment has one or more arranged home care  
 282.14 providers, the establishment shall arrange to have that arranged home care provider deliver  
 282.15 the following information in writing to a prospective resident, prior to the date on which  
 282.16 the prospective resident executes a contract with the establishment or the prospective  
 282.17 resident's move-in date, whichever is earlier:

282.18 (1) the name, mailing address, and telephone number of the arranged home care  
 282.19 provider;

282.20 (2) the name and mailing address of at least one natural person who is authorized to  
 282.21 accept service of process on behalf of the entity described in clause (1);

282.22 (3) a description of the process through which a home care service agreement or  
 282.23 service plan between a resident and the arranged home care provider, if any, may be  
 282.24 modified, amended, or terminated;

282.25 (4) the arranged home care provider's billing and payment procedures and  
 282.26 requirements; and

282.27 (5) any limits to the services available from the arranged provider.

282.28 **EFFECTIVE DATE.** This section is effective January 1, 2007.

282.29 Sec. 12. Minnesota Statutes 2004, section 144D.05, is amended to read:

282.30 **144D.05 AUTHORITY OF COMMISSIONER.**

282.31 The commissioner shall, upon receipt of information which may indicate the failure  
 282.32 of the ~~elderly~~ housing with services establishment, a resident, a resident's representative,  
 282.33 or a service provider to comply with a legal requirement to which one or more of them

283.1 may be subject, make appropriate referrals to other governmental agencies and entities  
 283.2 having jurisdiction over the subject matter. The commissioner may also make referrals  
 283.3 to any public or private agency the commissioner considers available for appropriate  
 283.4 assistance to those involved.

283.5 The commissioner shall have standing to bring an action for injunctive relief  
 283.6 in the district court in the district in which an establishment is located to compel the  
 283.7 ~~elderly~~ housing with services establishment to meet the requirements of this chapter or  
 283.8 other requirements of the state or of any county or local governmental unit to which the  
 283.9 establishment is otherwise subject. Proceedings for securing an injunction may be brought  
 283.10 by the commissioner through the attorney general or through the appropriate county  
 283.11 attorney. The sanctions in this section do not restrict the availability of other sanctions.

283.12 **EFFECTIVE DATE.** This section is effective January 1, 2007.

283.13 Sec. 13. Minnesota Statutes 2004, section 144D.065, is amended to read:

283.14 **144D.065 ESTABLISHMENTS THAT SERVE PERSONS WITH**  
 283.15 **ALZHEIMER'S DISEASE OR RELATED DISORDERS.**

283.16 (a) If a housing with services establishment registered under this chapter markets or  
 283.17 otherwise promotes services for persons with Alzheimer's disease or related disorders,  
 283.18 whether in a segregated or general unit, the ~~facility's~~ establishment's direct care staff and  
 283.19 their supervisors must be trained in dementia care.

283.20 (b) Areas of required training include:

283.21 (1) an explanation of Alzheimer's disease and related disorders;

283.22 (2) assistance with activities of daily living;

283.23 (3) problem solving with challenging behaviors; and

283.24 (4) communication skills.

283.25 (c) The establishment shall provide to consumers in written or electronic form a  
 283.26 description of the training program, the categories of employees trained, the frequency  
 283.27 of training, and the basic topics covered. This information satisfies the disclosure  
 283.28 requirements of section 325F.72, subdivision 2, clause (4).

283.29 **EFFECTIVE DATE.** This section is effective January 1, 2007.

283.30 Sec. 14. **[144G.01] DEFINITIONS.**

283.31 **Subdivision 1. Scope; other definitions.** For purposes of sections 144G.01 to  
 283.32 144G.05, the following definitions apply. In addition, the definitions provided in section  
 283.33 144D.01 also apply to sections 144G.01 to 144G.05.



284.1 Subd. 2. Assisted living. "Assisted living" means a service or package of services  
284.2 advertised, marketed, or otherwise described, offered, or promoted using the phrase  
284.3 "assisted living" either alone or in combination with other words, whether orally or in  
284.4 writing, and which is subject to the requirements of this chapter.

284.5 Subd. 3. Assisted living client. "Assisted living client" or "client" means a housing  
284.6 with services resident who receives assisted living that is subject to the requirements  
284.7 of this chapter.

284.8 Subd. 4. Commissioner. "Commissioner" means the commissioner of health.

284.9 EFFECTIVE DATE. This section is effective January 1, 2007.

284.10 Sec. 15. [144G.02] ASSISTED LIVING; PROTECTED TITLE; RESTRICTION  
284.11 ON USE; REGULATORY FUNCTIONS.

284.12 Subdivision 1. Protected title; restriction on use. No person or entity may use the  
284.13 phrase "assisted living," whether alone or in combination with other words and whether  
284.14 orally or in writing, to advertise, market, or otherwise describe, offer, or promote itself, or  
284.15 any housing, service, service package, or program that it provides within this state, unless  
284.16 the person or entity is a housing with services establishment that meets the requirements of  
284.17 this chapter, or is a person or entity that provides some or all components of assisted living  
284.18 that meet the requirements of this chapter. A person or entity entitled to use the phrase  
284.19 "assisted living" shall use the phrase only in the context of its participation in assisted  
284.20 living that meets the requirements of this chapter. A housing with services establishment  
284.21 offering or providing assisted living that is not made available to residents in all of its  
284.22 housing units shall identify the number or location of the units in which assisted living  
284.23 is available, and may not use the term "assisted living" in the name of the establishment  
284.24 registered with the commissioner under chapter 144D, or in the name the establishment  
284.25 uses to identify itself to residents or the public.

284.26 Subd. 2. Authority of commissioner. (a) The commissioner, upon receipt of  
284.27 information that may indicate the failure of a housing with services establishment, the  
284.28 arranged home care provider, an assisted living client, or an assisted living client's  
284.29 representative to comply with a legal requirement to which one or more of the entities may  
284.30 be subject, shall make appropriate referrals to other governmental agencies and entities  
284.31 having jurisdiction over the subject matter. The commissioner may also make referrals  
284.32 to any public or private agency the commissioner considers available for appropriate  
284.33 assistance to those involved.

284.34 (b) In addition to the authority with respect to licensed home care providers under  
284.35 sections 144A.45 and 144A.46 and with respect to housing with services establishments

285.1 under chapter 144D, the commissioner shall have standing to bring an action for injunctive  
285.2 relief in the district court in the district in which a housing with services establishment  
285.3 is located to compel the housing with services establishment or the arranged home care  
285.4 provider to meet the requirements of this chapter or other requirements of the state or of  
285.5 any county or local governmental unit to which the establishment or arranged home care  
285.6 provider is otherwise subject. Proceedings for securing an injunction may be brought by  
285.7 the commissioner through the attorney general or through the appropriate county attorney.  
285.8 The sanctions in this section do not restrict the availability of other sanctions.

285.9 **EFFECTIVE DATE.** This section is effective January 1, 2007.

285.10 Sec. 16. [144G.03] ASSISTED LIVING REQUIREMENTS.

285.11 Subdivision 1. Verification in annual registration. A registered housing with  
285.12 services establishment using the phrase "assisted living," pursuant to section 144G.02,  
285.13 subdivision 1, shall verify to the commissioner in its annual registration pursuant to chapter  
285.14 144D that the establishment is complying with sections 144G.01 to 144G.05, as applicable.

285.15 Subd. 2. Minimum requirements for assisted living. (a) Assisted living shall  
285.16 be provided or made available only to individuals residing in a registered housing with  
285.17 services establishment. Except as expressly stated in this chapter, a person or entity  
285.18 offering assisted living may define the available services and may offer assisted living to  
285.19 all or some of the residents of a housing with services establishment. The services that  
285.20 comprise assisted living may be provided or made available directly by a housing with  
285.21 services establishment or by persons or entities with which the housing with services  
285.22 establishment has made arrangements.

285.23 (b) A person or entity entitled to use the phrase "assisted living," according to  
285.24 section 144G.02, subdivision 1, shall do so only with respect to a housing with services  
285.25 establishment, or a service, service package, or program available within a housing with  
285.26 services establishment that, at a minimum:

285.27 (1) provides or makes available health-related services under a class A or class F  
285.28 home care license. At a minimum, health-related services must include:

285.29 (i) assistance with self-administration of medication as defined in Minnesota Rules,  
285.30 part 4668.0003, subpart 2a, or medication administration as defined in Minnesota Rules,  
285.31 part 4668.0003, subpart 21a; and

285.32 (ii) assistance with at least three of the following seven activities of daily living:  
285.33 bathing, dressing, grooming, eating, transferring, continence care, and toileting.

286.1 All health related services shall be provided in a manner that complies with applicable  
286.2 home care licensure requirements in chapter 144A and Minnesota Rules, chapter 4668,  
286.3 and with sections 148.171 to 148.285;

286.4 (2) provides necessary assessments of the physical and cognitive needs of assisted  
286.5 living clients by a registered nurse, as required by applicable home care licensure  
286.6 requirements in chapter 144A and Minnesota Rules, chapter 4668, and by sections  
286.7 148.171 to 148.285;

286.8 (3) has and maintains a system for delegation of health care activities to unlicensed  
286.9 assistive health care personnel by a registered nurse, including supervision and evaluation  
286.10 of the delegated activities as required by applicable home care licensure requirements in  
286.11 chapter 144A and Minnesota Rules, chapter 4668, and by sections 148.171 to 148.285;

286.12 (4) provides staff access to an on-call registered nurse 24 hours per day, seven  
286.13 days per week;

286.14 (5) has and maintains a system to check on each assisted living client at least daily;

286.15 (6) provides a means for assisted living clients to request assistance for health and  
286.16 safety needs 24 hours per day, seven days per week, from the establishment or a person or  
286.17 entity with which the establishment has made arrangements;

286.18 (7) has a person or persons available 24 hours per day, seven days per week, who  
286.19 is responsible for responding to the requests of assisted living clients for assistance with  
286.20 health or safety needs, who shall be:

286.21 (i) awake;

286.22 (ii) located in the same building, in an attached building, or on a contiguous campus  
286.23 with the housing with services establishment in order to respond within a reasonable  
286.24 amount of time;

286.25 (iii) capable of communicating with assisted living clients;

286.26 (iv) capable of recognizing the need for assistance;

286.27 (v) capable of providing either the assistance required or summoning the appropriate  
286.28 assistance; and

286.29 (vi) capable of following directions;

286.30 (8) offers to provide or make available at least the following supportive services  
286.31 to assisted living clients:

286.32 (i) two meals per day;

286.33 (ii) weekly housekeeping;

286.34 (iii) weekly laundry service;

286.35 (iv) upon the request of the client, reasonable assistance with arranging for  
286.36 transportation to medical and social services appointments, and the name of or other

287.1 identifying information about the person or persons responsible for providing this  
 287.2 assistance;

287.3 (v) upon the request of the client, reasonable assistance with accessing community  
 287.4 resources and social services available in the community, and the name of or other  
 287.5 identifying information about the person or persons responsible for providing this  
 287.6 assistance; and

287.7 (vi) periodic opportunities for socialization; and

287.8 (9) makes available to all prospective and current assisted living clients information  
 287.9 consistent with the uniform format and the required components adopted by the  
 287.10 commissioner under section 144G.06. This information must be made available beginning  
 287.11 no later than six months after the commissioner makes the uniform format and required  
 287.12 components available to providers according to section 144G.06.

287.13 Subd. 3. Exemption from awake-staff requirement. (a) A housing with services  
 287.14 establishment that offers or provides assisted living is exempt from the requirement in  
 287.15 subdivision 2, paragraph (b), clause (7), item (i), that the person or persons available and  
 287.16 responsible for responding to requests for assistance must be awake, if the establishment  
 287.17 meets the following requirements:

287.18 (1) the establishment has a maximum capacity to serve 12 or fewer assisted living  
 287.19 clients;

287.20 (2) the person or persons available and responsible for responding to requests for  
 287.21 assistance are physically present within the housing with services establishment in which  
 287.22 the assisted living clients reside;

287.23 (3) the establishment has a system in place that is compatible with the health, safety,  
 287.24 and welfare of the establishment's assisted living clients;

287.25 (4) the establishment's housing with services contract, as required by section  
 287.26 144D.04, includes a statement disclosing the establishment's qualification for, and  
 287.27 intention to rely upon, this exemption;

287.28 (5) the establishment files with the commissioner, for purposes of public information  
 287.29 but not review or approval by the commissioner, a statement describing how the  
 287.30 establishment meets the conditions in clauses (1) to (5), and makes a copy of this statement  
 287.31 available to actual and prospective assisted living clients; and

287.32 (6) the establishment indicates on its housing with services registration, under  
 287.33 section 144D.02 or 144D.03, as applicable, that it qualifies for and intends to rely upon the  
 287.34 exemption under this subdivision.

287.35 Subd. 4. Nursing assessment. (a) A housing with services establishment offering or  
 287.36 providing assisted living shall:

288.1 (1) offer to have the arranged home care provider conduct a nursing assessment by  
288.2 a registered nurse of the physical and cognitive needs of the prospective resident and  
288.3 propose a service agreement or service plan prior to the date on which a prospective  
288.4 resident executes a contract with a housing with services establishment or the date on  
288.5 which a prospective resident moves in, whichever is earlier; and

288.6 (2) inform the prospective resident of the availability of and contact information for  
288.7 long-term care consultation services under section 256B.0911, prior to the date on which a  
288.8 prospective resident executes a contract with a housing with services establishment or the  
288.9 date on which a prospective resident moves in, whichever is earlier.

288.10 (b) An arranged home care provider is not obligated to conduct a nursing assessment  
288.11 by a registered nurse when requested by a prospective resident if either the geographic  
288.12 distance between the prospective resident and the provider, or urgent or unexpected  
288.13 circumstances, do not permit the assessment to be conducted prior to the date on which  
288.14 the prospective resident executes a contract or moves in, whichever is earlier. When such  
288.15 circumstances occur, the arranged home care provider shall offer to conduct a telephone  
288.16 conference whenever reasonably possible.

288.17 (c) The arranged home care provider shall comply with applicable home care  
288.18 licensure requirements in chapter 144A and Minnesota Rules, chapter 4668, and with  
288.19 sections 148.171 to 148.285 with respect to the provision of a nursing assessment prior  
288.20 to the delivery of nursing services and the execution of a home care service plan or  
288.21 service agreement.

288.22 Subd. 5. Assistance with arranged home care provider. The housing with services  
288.23 establishment shall provide each assisted living client with identifying information about a  
288.24 person or persons reasonably available to assist the client with concerns the client may  
288.25 have with respect to the services provided by the arranged home care provider. The  
288.26 establishment shall keep each assisted living client reasonably informed of any changes in  
288.27 the personnel referenced in this subdivision. Upon request of the assisted living client,  
288.28 such personnel or designee shall provide reasonable assistance to the assisted living client  
288.29 in addressing concerns regarding services provided by the arranged home care provider.

288.30 Subd. 6. Termination of housing with services contract. If a housing with  
288.31 services establishment terminates a housing with services contract with an assisted living  
288.32 client, the establishment shall provide the assisted living client, and the legal or designated  
288.33 representative of the assisted living client, if any, with a written notice of termination  
288.34 which includes the following information:

288.35 (1) the effective date of termination;

288.36 (2) the section of the contract that authorizes the termination;

289.1 (3) without extending the termination notice period, an affirmative offer to meet with  
 289.2 the assisted living client and, if applicable, client representatives, within no more than five  
 289.3 business days of the date of the termination notice to discuss the termination;

289.4 (4) an explanation that:

289.5 (i) the assisted living client must vacate the apartment, along with all personal  
 289.6 possessions, on or before the effective date of termination;

289.7 (ii) failure to vacate the apartment by the date of termination may result in the filing  
 289.8 of an eviction action in court by the establishment, and that the assisted living client may  
 289.9 present a defense, if any, to the court at that time; and

289.10 (iii) the assisted living client may seek legal counsel in connection with the notice  
 289.11 of termination;

289.12 (5) a statement that, with respect to the notice of termination, reasonable  
 289.13 accommodation is available for the disability of the assisted living client, if any; and

289.14 (6) the name and contact information of the representative of the establishment  
 289.15 with whom the assisted living client or client representatives may discuss the notice of  
 289.16 termination.

289.17 **EFFECTIVE DATE.** This section is effective January 1, 2007.

289.18 **Sec. 17. [144G.04] RESERVATION OF RIGHTS.**

289.19 **Subdivision 1. Use of services.** Nothing in this chapter requires an assisted living  
 289.20 client to utilize any service provided or made available in assisted living.

289.21 **Subd. 2. Housing with services contracts.** Nothing in this chapter requires a  
 289.22 housing with services establishment to execute or refrain from terminating a housing with  
 289.23 services contract with a prospective or current resident who is unable or unwilling to meet  
 289.24 the requirements of residency, with or without assistance.

289.25 **Subd. 3. Provision of services.** Nothing in this chapter requires the arranged home  
 289.26 care provider to offer or continue to provide services under a service agreement or service  
 289.27 plan to a prospective or current resident of the establishment whose needs cannot be  
 289.28 met by the arranged home care provider.

289.29 **Subd. 4. Altering operations; service packages.** Nothing in this chapter requires  
 289.30 a housing with services establishment or arranged home care provider offering assisted  
 289.31 living to fundamentally alter the nature of the operations of the establishment or the  
 289.32 provider in order to accommodate the request or need for facilities or services by any  
 289.33 assisted living client, or to refrain from requiring, as a condition of residency, that an  
 289.34 assisted living client pay for a package of assisted living services even if the client does  
 289.35 not choose to utilize all or some of the services in the package.

290.1 EFFECTIVE DATE. This section is effective January 1, 2007.

290.2 Sec. 18. [144G.05] REIMBURSEMENT UNDER ASSISTED LIVING SERVICE  
290.3 PACKAGES.

290.4 Notwithstanding the provisions of this chapter, the requirements for the elderly  
290.5 waiver program's assisted living payment rates under section 256B.0915, subdivision  
290.6 3e, shall continue to be effective and providers who do not meet the requirements of  
290.7 this chapter may continue to receive payment under section 256B.0915, subdivision 3e,  
290.8 as long as they continue to meet the definitions and standards for assisted living and  
290.9 assisted living plus set forth in the federally approved Elderly Home and Community  
290.10 Based Services Waiver Program (Control Number 0025.91).

290.11 Providers of assisted living for the Community Alternatives for Disabled Individuals  
290.12 (CADI) and Traumatic Brain Injury (TBI) waivers shall continue to receive payment as  
290.13 long as they continue to meet the definitions and standards for assisted living and assisted  
290.14 living plus set forth in the federally approved CADI and TBI waiver plans.

290.15 EFFECTIVE DATE. This section is effective January 1, 2007.

290.16 Sec. 19. [144G.06] UNIFORM CONSUMER INFORMATION GUIDE.

290.17 (a) The commissioner of health shall establish an advisory committee consisting  
290.18 of representatives of consumers, providers, county and state officials, and other  
290.19 groups the commissioner considers appropriate. The advisory committee shall present  
290.20 recommendations to the commissioner on:

290.21 (1) a format for a guide to be used by individual providers of assisted living, as  
290.22 defined in section 144G.01, that includes information about services offered by that  
290.23 provider, service costs, and other relevant provider-specific information, as well as a  
290.24 statement of philosophy and values associated with assisted living, presented in uniform  
290.25 categories that facilitate comparison with guides issued by other providers; and

290.26 (2) requirements for informing assisted living clients, as defined in section 144G.01,  
290.27 of their applicable legal rights.

290.28 (b) The commissioner, after reviewing the recommendations of the advisory  
290.29 committee, shall adopt a uniform format for the guide to be used by individual providers,  
290.30 and the required components of materials to be used by providers to inform assisted  
290.31 living clients of their legal rights, and shall make the uniform format and the required  
290.32 components available to assisted living providers.

291.1 Sec. 20. Minnesota Statutes 2004, section 256.01, is amended by adding a subdivision  
291.2 to read:

291.3 Subd. 2b. Performance payments. The commissioner shall develop and implement  
291.4 a pay-for-performance system to provide performance payments to medical groups that  
291.5 demonstrate optimum care in serving individuals with chronic diseases who are enrolled  
291.6 in health care programs administered by the commissioner under chapters 256B, 256D,  
291.7 and 256L.

291.8 Sec. 21. Minnesota Statutes 2004, section 256.01, is amended by adding a subdivision  
291.9 to read:

291.10 Subd. 23. Reverse mortgage information and referral. The commissioner, in  
291.11 cooperation with the commissioner of the Minnesota Housing Finance Agency, shall:

291.12 (1) establish an information and referral system to inform eligible persons regarding  
291.13 the availability of reverse mortgages and state incentives available to persons who take  
291.14 out certain reverse mortgages. The information and referral system shall be established  
291.15 involving the Senior LinkAge Line, county and tribal agencies, community housing  
291.16 agencies and organizations, reverse mortgage counselors and lenders, senior and elder  
291.17 community organizations, and other relevant entities; and

291.18 (2) coordinate necessary training for Senior LinkAge Line employees, mortgage  
291.19 counselors, and lenders regarding the provisions of sections 256B.0913, subdivision  
291.20 17, and 462A.05, subdivision 42.

291.21 Sec. 22. [256.9545] PRESCRIPTION DRUG DISCOUNT PROGRAM.

291.22 Subdivision 1. Establishment; administration. The commissioner shall establish  
291.23 and administer the prescription drug discount program.

291.24 Subd. 2. Commissioner's authority. The commissioner shall administer a drug  
291.25 rebate program for drugs purchased according to the prescription drug discount program.  
291.26 The commissioner shall execute a rebate agreement from all manufacturers that choose to  
291.27 participate in the program for those drugs covered under the medical assistance program.  
291.28 For each drug, the amount of the rebate shall be equal to the rebate as defined for purposes  
291.29 of the federal rebate program in United States Code, title 42, section 1396r-8. The  
291.30 rebate program shall utilize the terms and conditions used for the federal rebate program  
291.31 established according to section 1927 of title XIX of the federal Social Security Act.

291.32 Subd. 3. Definitions. For purposes of this section, the following terms have the  
291.33 meanings given them.

291.34 (a) "Commissioner" means the commissioner of human services.



292.1 (b) "Covered prescription drug" means a prescription drug as defined in section  
292.2 151.44, paragraph (d), that is covered under medical assistance as described in section  
292.3 256B.0625, subdivision 13, and that is provided by a participating manufacturer that has a  
292.4 fully executed rebate agreement with the commissioner under this section and complies  
292.5 with that agreement.

292.6 (c) "Enrolled individual" means a person who is eligible for the program under  
292.7 subdivision 4 and has enrolled in the program according to subdivision 5.

292.8 (d) "Health carrier" means an insurance company licensed under chapter 60A to  
292.9 offer, sell, or issue an individual or group policy of accident and sickness insurance as  
292.10 defined in section 62A.01; a nonprofit health service plan corporation operating under  
292.11 chapter 62C; a health maintenance organization operating under chapter 62D; a joint  
292.12 self-insurance employee health plan operating under chapter 62H; a community integrated  
292.13 service network licensed under chapter 62N; a fraternal benefit society operating under  
292.14 chapter 64B; a city, county, school district, or other political subdivision providing  
292.15 self-insured health coverage under section 471.617 or sections 471.98 to 471.982; and a  
292.16 self-funded health plan under the Employee Retirement Income Security Act of 1974, as  
292.17 amended.

292.18 (e) "Participating manufacturer" means a manufacturer as defined in section 151.44,  
292.19 paragraph (c), that agrees to participate in the prescription drug discount program.

292.20 (f) "Participating pharmacy" means a pharmacy as defined in section 151.01,  
292.21 subdivision 2, that agrees to participate in the prescription drug discount program.

292.22 Subd. 4. Eligibility. (a) To be eligible for the program, an applicant must:

292.23 (1) be a permanent resident of Minnesota as defined in section 256L.09, subdivision  
292.24 4;

292.25 (2) not be enrolled in medical assistance, general assistance medical care, or  
292.26 MinnesotaCare;

292.27 (3) not be enrolled in and have currently available prescription drug coverage under  
292.28 a health plan offered by a health carrier or employer or under a pharmacy benefit program  
292.29 offered by a pharmaceutical manufacturer;

292.30 (4) not be enrolled in and have currently available prescription drug coverage under  
292.31 a Medicare supplement policy, as defined in sections 62A.31 to 62A.44; and

292.32 (5) have individual or family gross income equal to or less than 300 percent of the  
292.33 federal poverty guidelines. The commissioner shall adjust the income limit each July 1 by  
292.34 the annual update of the federal poverty guidelines following publication by the United  
292.35 States Department of Health and Human Services.

293.1 (b) Notwithstanding paragraph (a), clause (3), an individual who is enrolled in a  
293.2 Medicare Part D prescription drug plan or Medicare Advantage plan is eligible for the  
293.3 program but only for drugs that are not covered under the Medicare Part D plan or for  
293.4 drugs that are covered under the plan, but according to the conditions of the plan, the  
293.5 individual is responsible for 100 percent of the cost of the prescription drug.

293.6 Subd. 5. Application procedure. (a) Applications and information on the program  
293.7 must be made available at county social services agencies, health care provider offices, and  
293.8 agencies and organizations serving senior citizens. Individuals shall submit applications  
293.9 and any information specified by the commissioner as being necessary to verify eligibility  
293.10 directly to the commissioner. The commissioner shall determine an applicant's eligibility  
293.11 for the program within 30 days from the date the application is received. Upon notice of  
293.12 approval, the applicant must submit to the commissioner the enrollment fee specified in  
293.13 subdivision 10. Eligibility begins the month after the enrollment fee is received by the  
293.14 commissioner.

293.15 (b) An enrollee's eligibility must be renewed every 12 months with the 12-month  
293.16 period beginning in the month after the application is approved.

293.17 (c) The commissioner shall develop an application form that does not exceed one  
293.18 page in length and requires information necessary to determine eligibility for the program.

293.19 Subd. 6. Participating pharmacy. (a) Upon implementation of the prescription  
293.20 drug discount program, and until January 1, 2008, a participating pharmacy, with a  
293.21 valid prescription, must sell a covered prescription drug to an enrolled individual at the  
293.22 medical assistance rate.

293.23 (b) After January 1, 2008, a participating pharmacy, with a valid prescription, must  
293.24 sell a covered prescription drug to an enrolled individual at the medical assistance rate,  
293.25 minus an amount that is equal to the rebate amount described in subdivision 8.

293.26 (c) Each participating pharmacy shall provide the commissioner with all information  
293.27 necessary to administer the program, including, but not limited to, information on  
293.28 prescription drug sales to enrolled individuals and usual and customary retail prices.

293.29 Subd. 7. Notification of rebate amount. The commissioner shall notify each  
293.30 participating manufacturer, each calendar quarter or according to a schedule established  
293.31 by the commissioner, of the amount of the rebate owed on the prescription drugs sold by  
293.32 participating pharmacies to enrolled individuals.

293.33 Subd. 8. Provision of rebate. To the extent that a participating manufacturer's  
293.34 prescription drugs are prescribed to a resident of this state, the manufacturer must provide  
293.35 a rebate equal to the rebate provided under the medical assistance program for any  
293.36 prescription drug distributed by the manufacturer that is purchased at a participating

294.1 pharmacy by an enrolled individual. The participating manufacturer must provide full  
294.2 payment within 38 days of receipt of the state invoice for the rebate, or according to  
294.3 a schedule to be established by the commissioner. The commissioner shall deposit all  
294.4 rebates received into the Minnesota prescription drug dedicated fund established under  
294.5 subdivision 11. The manufacturer must provide the commissioner with any information  
294.6 necessary to verify the rebate determined per drug.

294.7 Subd. 9. **Payment to pharmacies.** Beginning January 1, 2008, the commissioner  
294.8 shall distribute on a biweekly basis an amount that is equal to an amount collected under  
294.9 subdivision 8 to each participating pharmacy based on the prescription drugs sold by that  
294.10 pharmacy to enrolled individuals on or after January 1, 2008.

294.11 Subd. 10. **Enrollment fee.** Beginning July 1, 2008, the commissioner shall establish  
294.12 an annual enrollment fee that covers the commissioner's expenses for enrollment,  
294.13 processing claims, and distributing rebates under this program.

294.14 Subd. 11. **Dedicated fund; creation; use of fund.** (a) The Minnesota prescription  
294.15 drug dedicated fund is established as an account in the state treasury. The commissioner  
294.16 of finance shall credit to the dedicated fund all rebates paid under subdivision 8, any  
294.17 federal funds received for the program, all enrollment fees paid by the enrollees, and  
294.18 any appropriations or allocations designated for the fund. The commissioner of finance  
294.19 shall ensure that fund money is invested under section 11A.25. All money earned by the  
294.20 fund must be credited to the fund. The fund shall earn a proportionate share of the total  
294.21 state annual investment income.

294.22 (b) Money in the fund is appropriated to the commissioner to reimburse participating  
294.23 pharmacies for prescription drugs provided to enrolled individuals under subdivision 6,  
294.24 paragraph (b); to reimburse the commissioner for costs related to enrollment, processing  
294.25 claims, and distributing rebates and for other reasonable administrative costs related to  
294.26 administration of the prescription drug discount program; and to repay the appropriation  
294.27 provided by law for this section. The commissioner must administer the program so that  
294.28 the costs total no more than funds appropriated plus the drug rebate proceeds.

294.29 **EFFECTIVE DATE.** This section is effective July 1, 2007.

294.30 Sec. 23. Minnesota Statutes 2004, section 256.975, subdivision 7, is amended to read:

294.31 Subd. 7. **Consumer information and assistance; Senior LinkAge.** (a) The  
294.32 Minnesota Board on Aging shall operate a statewide information and assistance service  
294.33 to aid older Minnesotans and their families in making informed choices about long-term  
294.34 care options and health care benefits. Language services to persons with limited English  
294.35 language skills may be made available. The service, known as Senior LinkAge Line, must

295.1 be available during business hours through a statewide toll-free number and must also  
 295.2 be available through the Internet.

295.3 (b) The service must assist older adults, caregivers, and providers in accessing  
 295.4 information about choices in long-term care services that are purchased through private  
 295.5 providers or available through public options. The service must:

295.6 (1) develop a comprehensive database that includes detailed listings in both  
 295.7 consumer- and provider-oriented formats;

295.8 (2) make the database accessible on the Internet and through other telecommunication  
 295.9 and media-related tools;

295.10 (3) link callers to interactive long-term care screening tools and make these tools  
 295.11 available through the Internet by integrating the tools with the database;

295.12 (4) develop community education materials with a focus on planning for long-term  
 295.13 care and evaluating independent living, housing, and service options;

295.14 (5) conduct an outreach campaign to assist older adults and their caregivers in  
 295.15 finding information on the Internet and through other means of communication;

295.16 (6) implement a messaging system for overflow callers and respond to these callers  
 295.17 by the next business day;

295.18 (7) link callers with county human services and other providers to receive more  
 295.19 in-depth assistance and consultation related to long-term care options; and

295.20 (8) provide information and assistance to inform older adults about reverse  
 295.21 mortgages, including the provisions of sections 47.58; 256B.0913, subdivision 17; and  
 295.22 462A.05, subdivision 42; and

295.23 (9) link callers with quality profiles for nursing facilities and other providers  
 295.24 developed by the commissioner of health.

295.25 (c) The Minnesota Board on Aging shall conduct an evaluation of the effectiveness  
 295.26 of the statewide information and assistance, and submit this evaluation to the legislature  
 295.27 by December 1, 2002. The evaluation must include an analysis of funding adequacy, gaps  
 295.28 in service delivery, continuity in information between the service and identified linkages,  
 295.29 and potential use of private funding to enhance the service.

295.30 Sec. 24. Minnesota Statutes 2004, section 256B.0625, is amended by adding a  
 295.31 subdivision to read:

295.32 Subd. 13i. Medicare Part D co-payments. For recipients who are enrolled in a  
 295.33 Medicare Part D prescription drug plan or Medicare Advantage plan, medical assistance  
 295.34 covers the co-payments which the recipient is responsible for under the Medicare Part D  
 295.35 prescription drug plan or Medicare Advantage plan.

296.1 **EFFECTIVE DATE.** This section is effective July 1, 2006.

296.2 Sec. 25. Minnesota Statutes 2004, section 256B.0625, is amended by adding a  
296.3 subdivision to read:

296.4 Subd. 49. **Lead risk assessments.** (a) Effective October 1, 2006, or six months after  
296.5 federal approval, whichever is later, medical assistance covers lead risk assessments  
296.6 provided by a lead risk assessor who is licensed by the commissioner of health under  
296.7 section 144.9505 and employed by an assessing agency as defined in section 144.9501.  
296.8 Medical assistance covers a onetime on-site investigation of a recipient's home or primary  
296.9 residence to determine the existence of lead so long as the recipient is under the age of  
296.10 21 and has a venous blood lead level as set forth in section 144.9504, subdivision 2,  
296.11 paragraph (a).

296.12 (b) Medical assistance reimbursement covers the lead risk assessor's time to  
296.13 complete the following activities:

296.14 (1) gathering samples;

296.15 (2) interviewing family members;

296.16 (3) gathering data, including meter readings; and

296.17 (4) providing a report with the results of the investigation and options for reducing  
296.18 lead-based paint hazards.

296.19 Medical assistance coverage of lead risk assessment does not include testing of  
296.20 environmental substances such as water, paint, or soil or any other laboratory services.

296.21 Medical assistance coverage of lead risk assessments is not included in the capitated  
296.22 services for children enrolled in health plans through the prepaid medical assistance  
296.23 program and the MinnesotaCare program.

296.24 (c) Payment for lead risk assessment must be cost-based and must meet the criteria  
296.25 for federal financial participation under the medical assistance program. The rate must  
296.26 be based on allowable expenditures from statewide cost information gathered. Under  
296.27 section 144.9507, subdivision 5, federal medical assistance funds may not replace existing  
296.28 funding for lead-related activities. The nonfederal share of costs for services provided  
296.29 under this subdivision must be from state or local funds and is the responsibility of the  
296.30 agency providing the risk assessment. Eligible expenditures for the nonfederal share of  
296.31 costs may not be made from federal funds or funds used to match other federal funds,  
296.32 except as allowed for Indian tribes under federal law. Any federal disallowances are the  
296.33 responsibility of the agency providing risk assessment services.

297.1 Sec. 26. Minnesota Statutes 2005 Supplement, section 256B.075, subdivision 2,  
297.2 is amended to read:

297.3 Subd. 2. **Fee-for-service.** (a) The commissioner shall develop and implement  
297.4 a disease management program for medical assistance and general assistance medical  
297.5 care recipients who are not enrolled in the prepaid medical assistance or prepaid general  
297.6 assistance medical care programs and who are receiving services on a fee-for-service  
297.7 basis. The commissioner may contract with an outside organization to provide ~~these~~  
297.8 services under this subdivision.

297.9 (b) The commissioner shall seek any federal approval necessary to implement this  
297.10 section and to obtain federal matching funds.

297.11 (c) The commissioner shall develop and implement a pilot intensive care  
297.12 management program for medical assistance children with complex and chronic medical  
297.13 issues who are not able to participate in the metro-based U Special Kids program due  
297.14 to geographic distance.

297.15 (d) The commissioner shall develop and implement an intensive care management  
297.16 pilot program for children, adults, and families who have complex and chronic medical  
297.17 conditions, or who are at high risk of developing them, and who receive their primary  
297.18 care through a federally qualified health center or community clinic. For purposes of  
297.19 this paragraph, "federally qualified health center" means an entity that is receiving a  
297.20 grant under United States Code, title 42, section 254b, or, based on the recommendation  
297.21 of the Health Resources and Services Administration within the Public Health Service,  
297.22 is determined by the secretary to meet the requirements for receiving such a grant; and  
297.23 "community clinic" means a clinic that is not a federally qualified health center, but is  
297.24 certified by the Minnesota Department of Health as being eligible to receive a grant under  
297.25 section 145.9268.

297.26 **EFFECTIVE DATE.** This section is effective July 1, 2006.

297.27 Sec. 27. Minnesota Statutes 2005 Supplement, section 256B.0911, subdivision 1a,  
297.28 is amended to read:

297.29 Subd. 1a. **Definitions.** For purposes of this section, the following definitions apply:

297.30 (a) "Long-term care consultation services" means:

297.31 (1) providing information and education to the general public regarding availability  
297.32 of the services authorized under this section;

297.33 (2) an intake process that provides access to the services described in this section;

297.34 (3) assessment of the health, psychological, and social needs of referred individuals;

298.1 (4) assistance in identifying services needed to maintain an individual in the least  
298.2 restrictive environment;

298.3 (5) providing recommendations on cost-effective community services that are  
298.4 available to the individual;

298.5 (6) development of an individual's community support plan, which may include the  
298.6 use of reverse mortgage payments to pay for services needed to maintain the individual in  
298.7 the person's home;

298.8 (7) providing information regarding eligibility for Minnesota health care programs;

298.9 (8) preadmission screening to determine the need for a nursing facility level of care;

298.10 (9) preliminary determination of Minnesota health care programs eligibility for  
298.11 individuals who need a nursing facility level of care, with appropriate referrals for final  
298.12 determination;

298.13 (10) providing recommendations for nursing facility placement when there are no  
298.14 cost-effective community services available; and

298.15 (11) assistance to transition people back to community settings after facility  
298.16 admission.

298.17 (b) "Minnesota health care programs" means the medical assistance program under  
298.18 chapter 256B and the alternative care program under section 256B.0913.

298.19 Sec. 28. Minnesota Statutes 2004, section 256B.0911, subdivision 3a, is amended to  
298.20 read:

298.21 Subd. 3a. **Assessment and support planning.** (a) Persons requesting assessment,  
298.22 services planning, or other assistance intended to support community-based living must be  
298.23 visited by a long-term care consultation team within ten working days after the date on  
298.24 which an assessment was requested or recommended. Assessments must be conducted  
298.25 according to paragraphs (b) to (g).

298.26 (b) The county may utilize a team of either the social worker or public health nurse,  
298.27 or both, to conduct the assessment in a face-to-face interview. The consultation team  
298.28 members must confer regarding the most appropriate care for each individual screened or  
298.29 assessed.

298.30 (c) The long-term care consultation team must assess the health and social needs of  
298.31 the person, using an assessment form provided by the commissioner.

298.32 (d) The team must conduct the assessment in a face-to-face interview with the  
298.33 person being assessed and the person's legal representative, if applicable.

298.34 (e) The team must provide the person, or the person's legal representative, with  
298.35 written recommendations for facility- or community-based services. The team must

299.1 document that the most cost-effective alternatives available were offered to the individual.  
299.2 For purposes of this requirement, "cost-effective alternatives" means community services  
299.3 and living arrangements that cost the same as or less than nursing facility care.

299.4 (f) If the person chooses to use community-based services, the team must provide  
299.5 the person or the person's legal representative with a written community support plan,  
299.6 regardless of whether the individual is eligible for Minnesota health care programs.  
299.7 The person may request assistance in developing a community support plan without  
299.8 participating in a complete assessment. If the person chooses to obtain a reverse mortgage  
299.9 under section 47.58 as part of the community support plan, the plan must include a  
299.10 spending plan for the reverse mortgage payments.

299.11 (g) The team must give the person receiving assessment or support planning, or  
299.12 the person's legal representative, materials supplied by the commissioner containing  
299.13 the following information:

299.14 (1) the purpose of preadmission screening and assessment;

299.15 (2) information about Minnesota health care programs and about reverse mortgages,  
299.16 including the provisions of sections 47.58; 256B.0913, subdivision 17; and 462A.05,  
299.17 subdivision 42;

299.18 (3) the person's freedom to accept or reject the recommendations of the team;

299.19 (4) the person's right to confidentiality under the Minnesota Government Data  
299.20 Practices Act, chapter 13; and

299.21 (5) the person's right to appeal the decision regarding the need for nursing facility  
299.22 level of care or the county's final decisions regarding public programs eligibility according  
299.23 to section 256.045, subdivision 3.

299.24 Sec. 29. Minnesota Statutes 2004, section 256B.0913, is amended by adding a  
299.25 subdivision to read:

299.26 Subd. 17. Services for persons using reverse mortgages. (a) Alternative care  
299.27 services are available to a person who satisfies the following criteria:

299.28 (1) the person qualifies for the reverse mortgage incentive program under section  
299.29 462A.05, subdivision 42, and has received the final payment on a qualifying reverse  
299.30 mortgage, or the person satisfies the criteria in section 462A.05, subdivision 42, paragraph  
299.31 (b), clauses (1) to (5), and has otherwise obtained a reverse mortgage and payments  
299.32 received from the reverse mortgage for a period of at least 24 months or in an amount of  
299.33 at least \$15,000 are used for services and supports, including basic shelter needs, home  
299.34 maintenance, and modifications or adaptations, necessary to allow the person to remain in  
299.35 the home as an alternative to a nursing facility placement; and



300.1 (2) the person satisfies the eligibility criteria under this section, other than age,  
300.2 income, and assets, and verifies that reverse mortgage expenditures were made according  
300.3 to the spending plan established under section 256B.0911, if one has been established.

300.4 (b) In addition to the other services provided under this section, a person who  
300.5 qualifies under this subdivision shall not be assessed a monthly participation fee under  
300.6 subdivision 12 nor be subject to an estate claim under section 256B.15 for services  
300.7 received under this section.

300.8 (c) The commissioner shall require a certification of loan satisfaction or other  
300.9 documentation that the person qualifies under this subdivision.

300.10 Sec. 30. Minnesota Statutes 2005 Supplement, section 256B.0918, subdivision 1,  
300.11 is amended to read:

300.12 Subdivision 1. **Program criteria.** Beginning on or after October 1, 2005, within  
300.13 the limits of appropriations specifically available for this purpose, the commissioner shall  
300.14 provide funding to qualified provider applicants for employee scholarships for education  
300.15 in nursing and other health care fields. Employee scholarships must be for a course of  
300.16 study that is expected to lead to career advancement with the provider or in the field  
300.17 of long-term care, including home care or care of persons with disabilities, or nursing.  
300.18 Providers that secure this funding must use it to award scholarships to employees who  
300.19 work an average of at least 20 hours per week for the provider. Executive management  
300.20 staff without direct care duties, registered nurses, and therapists are not eligible to receive  
300.21 scholarships under this section.

300.22 Sec. 31. Minnesota Statutes 2005 Supplement, section 256B.0918, subdivision 3,  
300.23 is amended to read:

300.24 Subd. 3. **Provider selection criteria.** To be considered for scholarship funding,  
300.25 the provider shall submit a completed application within the time frame specified by the  
300.26 commissioner. In awarding funding, the commissioner shall consider the following:

300.27 (1) the size of the provider as measured in annual billing to the medical assistance  
300.28 program. To be eligible, a provider must receive at least ~~\$500,000~~ \$300,000 annually  
300.29 in medical assistance payments;

300.30 (2) the percentage of employees meeting the scholarship program recipient  
300.31 requirements;

300.32 (3) staff retention rates for paraprofessionals; and

300.33 (4) other criteria determined by the commissioner.

301.1 Sec. 32. Minnesota Statutes 2005 Supplement, section 256B.0918, subdivision 4,  
301.2 is amended to read:

301.3 Subd. 4. **Funding specifics.** Within the limits of appropriations specifically  
301.4 available for this purpose, for the rate period beginning on or after October 1, 2005, to  
301.5 September 30, 2007, the commissioner shall provide to each provider listed in subdivision  
301.6 2 and awarded funds under subdivision 3 a medical assistance rate increase to fund  
301.7 scholarships up to ~~two-tenths~~ three-tenths percent of the medical assistance reimbursement  
301.8 rate. The commissioner shall require providers to repay any portion of funds awarded  
301.9 under subdivision 3 that is not used to fund scholarships. If applications exceed available  
301.10 funding, funding shall be targeted to providers that employ a higher percentage of  
301.11 paraprofessional staff or have lower rates of turnover of paraprofessional staff. During  
301.12 the subsequent years of the program, the rate adjustment may be recalculated, at the  
301.13 discretion of the commissioner. In making a recalculation the commissioner may consider  
301.14 the provider's success at granting scholarships based on the amount spent during the  
301.15 previous year and the availability of appropriations to continue the program.

301.16 Sec. 33. Minnesota Statutes 2004, section 256B.15, is amended by adding a  
301.17 subdivision to read:

301.18 Subd. 9. Recovery of alternative care and certain reverse mortgages. The state  
301.19 and a county agency shall not recover alternative care paid for a person under section  
301.20 256B.0913, subdivision 17, under this section.

301.21 Sec. 34. Minnesota Statutes 2005 Supplement, section 256B.434, subdivision 4,  
301.22 is amended to read:

301.23 Subd. 4. **Alternate rates for nursing facilities.** (a) For nursing facilities which  
301.24 have their payment rates determined under this section rather than section 256B.431, the  
301.25 commissioner shall establish a rate under this subdivision. The nursing facility must enter  
301.26 into a written contract with the commissioner.

301.27 (b) A nursing facility's case mix payment rate for the first rate year of a facility's  
301.28 contract under this section is the payment rate the facility would have received under  
301.29 section 256B.431.

301.30 (c) A nursing facility's case mix payment rates for the second and subsequent years  
301.31 of a facility's contract under this section are the previous rate year's contract payment  
301.32 rates plus an inflation adjustment and, for facilities reimbursed under this section or  
301.33 section 256B.431, an adjustment to include the cost of any increase in Health Department  
301.34 licensing fees for the facility taking effect on or after July 1, 2001. The index for the

302.1 inflation adjustment must be based on the change in the Consumer Price Index-All Items  
302.2 (United States City average) (CPI-U) forecasted by the commissioner of finance's national  
302.3 economic consultant, as forecasted in the fourth quarter of the calendar year preceding  
302.4 the rate year. The inflation adjustment must be based on the 12-month period from the  
302.5 midpoint of the previous rate year to the midpoint of the rate year for which the rate is  
302.6 being determined. For the rate years beginning on July 1, 1999, July 1, 2000, July 1, 2001,  
302.7 July 1, 2002, July 1, 2003, July 1, 2004, July 1, 2005, July 1, 2006, July 1, 2007, and July  
302.8 1, 2008, this paragraph shall apply only to the property-related payment rate, except  
302.9 that adjustments to include the cost of any increase in Health Department licensing fees  
302.10 taking effect on or after July 1, 2001, shall be provided. Beginning in 2005, adjustment to  
302.11 the property payment rate under this section and section 256B.431 shall be effective on  
302.12 October 1. In determining the amount of the property-related payment rate adjustment  
302.13 under this paragraph, the commissioner shall determine the proportion of the facility's  
302.14 rates that are property-related based on the facility's most recent cost report. Beginning  
302.15 October 1, 2006, facilities reimbursed under this section shall be allowed to receive a  
302.16 property rate adjustment for building projects under section 144A.071, subdivision 2.

302.17 (d) The commissioner shall develop additional incentive-based payments of up to  
302.18 five percent above a facility's operating payment rate for achieving outcomes specified  
302.19 in a contract. The commissioner may solicit contract amendments and implement those  
302.20 which, on a competitive basis, best meet the state's policy objectives. The commissioner  
302.21 shall limit the amount of any incentive payment and the number of contract amendments  
302.22 under this paragraph to operate the incentive payments within funds appropriated for this  
302.23 purpose. The contract amendments may specify various levels of payment for various  
302.24 levels of performance. Incentive payments to facilities under this paragraph may be in  
302.25 the form of time-limited rate adjustments or supplemental payments. In establishing the  
302.26 specified outcomes and related criteria, the commissioner shall consider the following  
302.27 state policy objectives:

302.28 (1) successful diversion or discharge of residents to the residents' prior home or  
302.29 other community-based alternatives;

302.30 (2) adoption of new technology to improve quality or efficiency;

302.31 (3) improved quality as measured in the Nursing Home Report Card;

302.32 (4) reduced acute care costs; and

302.33 (5) any additional outcomes proposed by a nursing facility that the commissioner  
302.34 finds desirable.

302.35 Sec. 35. Minnesota Statutes 2004, section 256B.437, subdivision 3, is amended to read:

303.1 Subd. 3. **Applications for planned closure of nursing facilities.** (a) By August  
303.2 15, 2001, the commissioner of human services shall implement and announce a program  
303.3 for closure or partial closure of nursing facilities. Names and identifying information  
303.4 provided in response to the announcement shall remain private unless approved, according  
303.5 to the timelines established in the plan. The announcement must specify:

303.6 (1) the criteria in subdivision 4 that will be used by the commissioner to approve or  
303.7 reject applications;

303.8 (2) the information that must accompany an application; and

303.9 (3) that applications may combine planned closure rate adjustments with moratorium  
303.10 exception funding, in which case a single application may serve both purposes.

303.11 Between August 1, 2001, and June 30, 2003, the commissioner may approve planned  
303.12 closures of up to 5,140 nursing facility beds, less the number of beds delicensed in  
303.13 facilities during the same time period without approved closure plans or that have notified  
303.14 the commissioner of health of their intent to close without an approved closure plan.

303.15 Beginning July 1, 2004, the commissioner may negotiate a planned closure for nursing  
303.16 facilities providing the proposal has no cost to the state.

303.17 (b) A facility or facilities reimbursed under section 256B.431 or 256B.434 with a  
303.18 closure plan approved by the commissioner under subdivision 5 may assign a planned  
303.19 closure rate adjustment to another facility or facilities that are not closing or in the case of  
303.20 a partial closure, to the facility undertaking the partial closure. A facility may also elect to  
303.21 have a planned closure rate adjustment shared equally by the five nursing facilities with  
303.22 the lowest total operating payment rates in the state development region designated under  
303.23 section 462.385, in which the facility that is closing is located. The planned closure  
303.24 rate adjustment must be calculated under subdivision 6. Facilities that delicense beds  
303.25 without a closure plan, or whose closure plan is not approved by the commissioner, are not  
303.26 eligible to assign a planned closure rate adjustment under subdivision 6, unless they are  
303.27 delicensing five or fewer beds, or less than six percent of their total licensed bed capacity,  
303.28 whichever is greater, are located in a county in the top three quartiles of beds per 1,000  
303.29 persons aged 65 or older, and have not delicensed beds in the prior three months. Facilities  
303.30 meeting these criteria are eligible to assign the amount calculated under subdivision 6 to  
303.31 themselves. If a facility is delicensing the greater of six or more beds, or six percent or  
303.32 more of its total licensed bed capacity, and does not have an approved closure plan or is  
303.33 not eligible for the adjustment under subdivision 6, the commissioner shall calculate the  
303.34 amount the facility would have been eligible to assign under subdivision 6, and shall use  
303.35 this amount to provide equal rate adjustments to the five nursing facilities with the lowest

304.1 total operating payment rates in the state development region designated under section  
304.2 462.385, in which the facility that delicensed beds is located.

304.3 (c) To be considered for approval, an application must include:

304.4 (1) a description of the proposed closure plan, which must include identification of  
304.5 the facility or facilities to receive a planned closure rate adjustment;

304.6 (2) the proposed timetable for any proposed closure, including the proposed dates  
304.7 for announcement to residents, commencement of closure, and completion of closure;

304.8 (3) if available, the proposed relocation plan for current residents of any facility  
304.9 designated for closure. If a relocation plan is not available, the application must include a  
304.10 statement agreeing to develop a relocation plan designed to comply with section 144A.161;

304.11 (4) a description of the relationship between the nursing facility that is proposed for  
304.12 closure and the nursing facility or facilities proposed to receive the planned closure rate  
304.13 adjustment. If these facilities are not under common ownership, copies of any contracts,  
304.14 purchase agreements, or other documents establishing a relationship or proposed  
304.15 relationship must be provided;

304.16 (5) documentation, in a format approved by the commissioner, that all the nursing  
304.17 facilities receiving a planned closure rate adjustment under the plan have accepted joint  
304.18 and several liability for recovery of overpayments under section 256B.0641, subdivision  
304.19 2, for the facilities designated for closure under the plan; and

304.20 (6) an explanation of how the application coordinates with planning efforts under  
304.21 subdivision 2. If the planning group does not support a level of nursing facility closures  
304.22 that the commissioner considers to be reasonable, the commissioner may approve a  
304.23 planned closure proposal without its support.

304.24 (d) The application must address the criteria listed in subdivision 4.

304.25 (e) After April 1, 2006, in consideration of the authority provided in section  
304.26 144A.071, subdivision 4c, paragraph (a), clause (4), the commissioner shall not approve  
304.27 an application for planned closure and shall not provide a planned closure rate adjustment  
304.28 under this subdivision, and shall not provide a single-bed incentive under section  
304.29 256B.431, subdivision 42, for any bed closures in Cass County.

304.30 Sec. 36. Minnesota Statutes 2004, section 256B.69, subdivision 9, is amended to read:

304.31 Subd. 9. **Reporting.** (a) Each demonstration provider shall submit information as  
304.32 required by the commissioner, including data required for assessing client satisfaction,  
304.33 quality of care, cost, and utilization of services for purposes of project evaluation. The  
304.34 commissioner shall also develop methods of data reporting and collection ~~from county~~  
304.35 ~~advocacy activities~~ in order to provide aggregate enrollee information on encounters

305.1 and outcomes to determine access and quality assurance. Required information shall be  
305.2 specified before the commissioner contracts with a demonstration provider.

305.3 (b) Aggregate nonpersonally identifiable health plan encounter data, aggregate  
305.4 spending data for major categories of service as reported to the commissioners of health  
305.5 and commerce under section 62D.08, subdivision 3, and criteria for service authorization  
305.6 and service use are public data that the commissioner shall make available and use  
305.7 in public reports. The commissioner shall require each health plan and county-based  
305.8 purchasing plan to provide:

305.9 (1) encounter data for each service provided, using standard codes and unit of  
305.10 service definitions set by the commissioner, in a form that the commissioner can report by  
305.11 age, eligibility groups, and health plan; and

305.12 (2) criteria, written policies, and procedures required to be disclosed under section  
305.13 62M.10, subdivision 7, and Code of Federal Regulations, title 42, part 438.210(b)(1), used  
305.14 for each type of service for which authorization is required.

305.15 Sec. 37. Minnesota Statutes 2005 Supplement, section 256B.69, subdivision 23,  
305.16 is amended to read:

305.17 **Subd. 23. Alternative services; elderly and disabled persons.** (a) The  
305.18 commissioner may implement demonstration projects to create alternative integrated  
305.19 delivery systems for acute and long-term care services to elderly persons and persons  
305.20 with disabilities as defined in section 256B.77, subdivision 7a, that provide increased  
305.21 coordination, improve access to quality services, and mitigate future cost increases.  
305.22 The commissioner may seek federal authority to combine Medicare and Medicaid  
305.23 capitation payments for the purpose of such demonstrations and may contract with  
305.24 Medicare-approved special needs plans to provide Medicaid services. Medicare funds and  
305.25 services shall be administered according to the terms and conditions of the federal waiver  
305.26 and demonstration provisions. For the purpose of administering medical assistance funds,  
305.27 demonstrations under this subdivision are subject to subdivisions 1 to 22. The provisions  
305.28 of Minnesota Rules, parts 9500.1450 to 9500.1464, apply to these demonstrations, with the  
305.29 exceptions of parts 9500.1452, subpart 2, item B; and 9500.1457, subpart 1, items B and  
305.30 C, which do not apply to persons enrolling in demonstrations under this section. An initial  
305.31 open enrollment period may be provided. Persons who disenroll from demonstrations  
305.32 under this subdivision remain subject to Minnesota Rules, parts 9500.1450 to 9500.1464.  
305.33 When a person is enrolled in a health plan under these demonstrations and the health  
305.34 plan's participation is subsequently terminated for any reason, the person shall be provided  
305.35 an opportunity to select a new health plan and shall have the right to change health plans

306.1 within the first 60 days of enrollment in the second health plan. Persons required to  
306.2 participate in health plans under this section who fail to make a choice of health plan shall  
306.3 not be randomly assigned to health plans under these demonstrations. Notwithstanding  
306.4 section 256L.12, subdivision 5, and Minnesota Rules, part 9505.5220, subpart 1, item A,  
306.5 if adopted, for the purpose of demonstrations under this subdivision, the commissioner  
306.6 may contract with managed care organizations, including counties, to serve only elderly  
306.7 persons eligible for medical assistance, elderly and disabled persons, or disabled persons  
306.8 only. For persons with primary diagnoses of mental retardation or a related condition,  
306.9 serious and persistent mental illness, or serious emotional disturbance, the commissioner  
306.10 must ensure that the county authority has approved the demonstration and contracting  
306.11 design. Enrollment in these projects for persons with disabilities shall be voluntary. The  
306.12 commissioner shall not implement any demonstration project under this subdivision for  
306.13 persons with primary diagnoses of mental retardation or a related condition, serious and  
306.14 persistent mental illness, or serious emotional disturbance, without approval of the county  
306.15 board of the county in which the demonstration is being implemented.

306.16 (b) Notwithstanding chapter 245B, sections 252.40 to 252.46, 256B.092, 256B.501  
306.17 to 256B.5015, and Minnesota Rules, parts 9525.0004 to 9525.0036, 9525.1200 to  
306.18 9525.1330, 9525.1580, and 9525.1800 to 9525.1930, the commissioner may implement  
306.19 under this section projects for persons with developmental disabilities. The commissioner  
306.20 may capitate payments for ICF/MR services, waived services for mental retardation or  
306.21 related conditions, including case management services, day training and habilitation and  
306.22 alternative active treatment services, and other services as approved by the state and by the  
306.23 federal government. Case management and active treatment must be individualized and  
306.24 developed in accordance with a person-centered plan. Costs under these projects may not  
306.25 exceed costs that would have been incurred under fee-for-service. Beginning July 1, 2003,  
306.26 and until two years after the pilot project implementation date, subcontractor participation  
306.27 in the long-term care developmental disability pilot is limited to a nonprofit long-term  
306.28 care system providing ICF/MR services, home and community-based waiver services,  
306.29 and in-home services to no more than 120 consumers with developmental disabilities in  
306.30 Carver, Hennepin, and Scott Counties. The commissioner shall report to the legislature  
306.31 prior to expansion of the developmental disability pilot project. This paragraph expires  
306.32 two years after the implementation date of the pilot project.

306.33 (c) Before implementation of a demonstration project for disabled persons, the  
306.34 commissioner must provide information to appropriate committees of the house of  
306.35 representatives and senate and must involve representatives of affected disability groups  
306.36 in the design of the demonstration projects.

307.1 (d) A nursing facility reimbursed under the alternative reimbursement methodology  
307.2 in section 256B.434 may, in collaboration with a hospital, clinic, or other health care entity  
307.3 provide services under paragraph (a). The commissioner shall amend the state plan and  
307.4 seek any federal waivers necessary to implement this paragraph.

307.5 (e) The commissioner, in consultation with the commissioners of commerce and  
307.6 health, may approve and implement programs for all-inclusive care for the elderly (PACE)  
307.7 according to federal laws and regulations governing that program and state laws or rules  
307.8 applicable to participating providers. The process for approval of these programs shall  
307.9 begin only after the commissioner receives grant money in an amount sufficient to cover  
307.10 the state share of the administrative and actuarial costs to implement the programs during  
307.11 state fiscal years 2006 and 2007. Grant amounts for this purpose shall be deposited in an  
307.12 account in the special revenue fund and are appropriated to the commissioner to be used  
307.13 solely for the purpose of PACE administrative and actuarial costs. A PACE provider is  
307.14 not required to be licensed or certified as a health plan company as defined in section  
307.15 62Q.01, subdivision 4. Persons age 55 and older who have been screened by the county  
307.16 and found to be eligible for services under the elderly waiver or community alternatives  
307.17 for disabled individuals or who are already eligible for Medicaid but meet level of  
307.18 care criteria for receipt of waiver services may choose to enroll in the PACE program.  
307.19 Medicare and Medicaid services will be provided according to this subdivision and  
307.20 federal Medicare and Medicaid requirements governing PACE providers and programs.  
307.21 PACE enrollees will receive Medicaid home and community-based services through the  
307.22 PACE provider as an alternative to services for which they would otherwise be eligible  
307.23 through home and community-based waiver programs and Medicaid State Plan Services.  
307.24 The commissioner shall establish Medicaid rates for PACE providers that do not exceed  
307.25 costs that would have been incurred under fee-for-service or other relevant managed care  
307.26 programs operated by the state.

307.27 (f) The commissioner shall seek federal approval to expand the Minnesota disability  
307.28 health options (MnDHO) program established under this subdivision in stages, first to  
307.29 regional population centers outside the seven-county metro area and then to all areas  
307.30 of the state. Until January 1, 2008, expansion for MnDHO projects that include home  
307.31 and community-based services is limited to the two projects and service areas in effect  
307.32 on March 1, 2006. Enrollment in integrated MnDHO programs that include home and  
307.33 community-based services shall remain voluntary. Costs for home and community-based  
307.34 services included under MnDHO must not exceed costs that would have been incurred  
307.35 under the fee-for-service program. In developing program specifications for expansion of  
307.36 integrated programs, the commissioner shall involve and consult the state-level stakeholder



308.1 group established in subdivision 28, paragraph (d), including consultation on whether and  
308.2 how to include home and community-based waiver programs. Plans for further expansion  
308.3 of MnDHO projects shall be presented to the chairs of the house and senate committees  
308.4 with jurisdiction over health and human services policy and finance by February 1, 2007.

308.5 (g) Notwithstanding section 256B.0261, health plans providing services under this  
308.6 section are responsible for home care targeted case management and relocation targeted  
308.7 case management. Services must be provided according to the terms of the waivers and  
308.8 contracts approved by the federal government.

308.9 **EFFECTIVE DATE.** This section is effective the day following final enactment.

308.10 Sec. 38. Minnesota Statutes 2004, section 256B.69, is amended by adding a  
308.11 subdivision to read:

308.12 **Subd. 28. Medicare special needs plans and medical assistance basic health**  
308.13 **care for persons with disabilities.** (a) The commissioner may contract with qualified  
308.14 Medicare-approved special needs plans to provide medical assistance basic health care  
308.15 services to persons with disabilities, including those with developmental disabilities.

308.16 Basic health care services include:

308.17 (1) those services covered by the medical assistance state plan except for ICF/MR  
308.18 services, home and community-based waiver services, case management for persons with  
308.19 developmental disabilities under section 256B.0625, subdivision 20a, and personal care  
308.20 and certain home care services defined by the commissioner in consultation with the  
308.21 stakeholder group established under paragraph (d); and

308.22 (2) basic health care services may also include risk for up to 100 days of nursing  
308.23 facility services for persons who reside in a noninstitutional setting and home health  
308.24 services related to rehabilitation as defined by the commissioner after consultation with  
308.25 the stakeholder group.

308.26 The commissioner may exclude other medical assistance services from the basic  
308.27 health care benefit set. Enrollees in these plans can access any excluded services on the  
308.28 same basis as other medical assistance recipients who have not enrolled. Unless a person  
308.29 is otherwise required to enroll in managed care, enrollment in these plans for Medicaid  
308.30 services must be voluntary. For purposes of this subdivision, automatic enrollment with an  
308.31 option to opt out is not voluntary enrollment.

308.32 (b) Beginning January 1, 2007, the commissioner may contract with qualified  
308.33 Medicare special needs plans to provide basic health care services under medical  
308.34 assistance to persons who are dually eligible for both Medicare and Medicaid and those  
308.35 Social Security beneficiaries eligible for Medicaid but in the waiting period for Medicare.

309.1 The commissioner shall consult with the stakeholder group under paragraph (d) in  
 309.2 developing program specifications for these services. The commissioner shall report to  
 309.3 the chairs of the house and senate committees with jurisdiction over health and human  
 309.4 services policy and finance by February 1, 2007, on implementation of these programs and  
 309.5 the need for increased funding for the ombudsman for managed care and other consumer  
 309.6 assistance and protections needed due to enrollment in managed care of persons with  
 309.7 disabilities. Payment for Medicaid services provided under this subdivision for the months  
 309.8 of May and June will be made no earlier than July 1 of the same calendar year.

309.9 (c) Beginning January 1, 2008, the commissioner may expand contracting under this  
 309.10 subdivision to all persons with disabilities not otherwise required to enroll in managed  
 309.11 care.

309.12 (d) The commissioner shall establish a state-level stakeholder group to provide  
 309.13 advice on managed care programs for persons with disabilities, including both MnDHO  
 309.14 and contracts with special needs plans that provide basic health care services as described  
 309.15 in paragraphs (a) and (b). The stakeholder group shall provide advice on program  
 309.16 expansions under this subdivision and subdivision 23, including:

309.17 (1) implementation efforts;

309.18 (2) consumer protections; and

309.19 (3) program specifications such as quality assurance measures, data collection and  
 309.20 reporting, and evaluation of costs, quality, and results.

309.21 (e) Each plan under contract to provide medical assistance basic health care services  
 309.22 shall establish a local or regional stakeholder group, including representatives of the  
 309.23 counties covered by the plan, members, consumer advocates, and providers, for advice on  
 309.24 issues that arise in the local or regional area.

309.25 Sec. 39. Minnesota Statutes 2004, section 256B.76, is amended to read:

309.26 **256B.76 PHYSICIAN AND DENTAL REIMBURSEMENT.**

309.27 (a) Effective for services rendered on or after October 1, 1992, the commissioner  
 309.28 shall make payments for physician services as follows:

309.29 (1) payment for level one Centers for Medicare and Medicaid Services' common  
 309.30 procedural coding system codes titled "office and other outpatient services," "preventive  
 309.31 medicine new and established patient," "delivery, antepartum, and postpartum care,"  
 309.32 "critical care," cesarean delivery and pharmacologic management provided to psychiatric  
 309.33 patients, and level three codes for enhanced services for prenatal high risk, shall be paid  
 309.34 at the lower of (i) submitted charges, or (ii) 25 percent above the rate in effect on June  
 309.35 30, 1992. If the rate on any procedure code within these categories is different than the

310.1 rate that would have been paid under the methodology in section 256B.74, subdivision 2,  
310.2 then the larger rate shall be paid;

310.3 (2) payments for all other services shall be paid at the lower of (i) submitted charges,  
310.4 or (ii) 15.4 percent above the rate in effect on June 30, 1992;

310.5 (3) all physician rates shall be converted from the 50th percentile of 1982 to the 50th  
310.6 percentile of 1989, less the percent in aggregate necessary to equal the above increases  
310.7 except that payment rates for home health agency services shall be the rates in effect  
310.8 on September 30, 1992;

310.9 (4) effective for services rendered on or after January 1, 2000, payment rates for  
310.10 physician and professional services shall be increased by three percent over the rates in  
310.11 effect on December 31, 1999, except for home health agency and family planning agency  
310.12 services; and

310.13 (5) the increases in clause (4) shall be implemented January 1, 2000, for managed  
310.14 care.

310.15 (b) Effective for services rendered on or after October 1, 1992, the commissioner  
310.16 shall make payments for dental services as follows:

310.17 (1) dental services shall be paid at the lower of (i) submitted charges, or (ii) 25  
310.18 percent above the rate in effect on June 30, 1992;

310.19 (2) dental rates shall be converted from the 50th percentile of 1982 to the 50th  
310.20 percentile of 1989, less the percent in aggregate necessary to equal the above increases;

310.21 (3) effective for services rendered on or after January 1, 2000, payment rates for  
310.22 dental services shall be increased by three percent over the rates in effect on December  
310.23 31, 1999;

310.24 (4) the commissioner shall award grants to community clinics or other nonprofit  
310.25 community organizations, political subdivisions, professional associations, or other  
310.26 organizations that demonstrate the ability to provide dental services effectively to public  
310.27 program recipients. Grants may be used to fund the costs related to coordinating access for  
310.28 recipients, developing and implementing patient care criteria, upgrading or establishing  
310.29 new facilities, acquiring furnishings or equipment, recruiting new providers, or other  
310.30 development costs that will improve access to dental care in a region. In awarding grants,  
310.31 the commissioner shall give priority to applicants that plan to serve areas of the state in  
310.32 which the number of dental providers is not currently sufficient to meet the needs of  
310.33 recipients of public programs or uninsured individuals. The commissioner shall consider  
310.34 the following in awarding the grants:

310.35 (i) potential to successfully increase access to an underserved population;

310.36 (ii) the ability to raise matching funds;

311.1 (iii) the long-term viability of the project to improve access beyond the period  
311.2 of initial funding;

311.3 (iv) the efficiency in the use of the funding; and

311.4 (v) the experience of the proposers in providing services to the target population.

311.5 The commissioner shall monitor the grants and may terminate a grant if the grantee  
311.6 does not increase dental access for public program recipients. The commissioner shall  
311.7 consider grants for the following:

311.8 (i) implementation of new programs or continued expansion of current access  
311.9 programs that have demonstrated success in providing dental services in underserved  
311.10 areas;

311.11 (ii) a pilot program for utilizing hygienists outside of a traditional dental office to  
311.12 provide dental hygiene services; and

311.13 (iii) a program that organizes a network of volunteer dentists, establishes a system to  
311.14 refer eligible individuals to volunteer dentists, and through that network provides donated  
311.15 dental care services to public program recipients or uninsured individuals;

311.16 (5) beginning October 1, 1999, the payment for tooth sealants and fluoride treatments  
311.17 shall be the lower of (i) submitted charge, or (ii) 80 percent of median 1997 charges;

311.18 (6) the increases listed in clauses (3) and (5) shall be implemented January 1, 2000,  
311.19 for managed care; and

311.20 (7) effective for services provided on or after January 1, 2002, payment for  
311.21 diagnostic examinations and dental x-rays provided to children under age 21 shall be the  
311.22 lower of (i) the submitted charge, or (ii) 85 percent of median 1999 charges.

311.23 (c) Effective for dental services rendered on or after ~~January 1, 2002~~ July 1, 2006,  
311.24 the commissioner ~~may, within the limits of available appropriation,~~ shall increase  
311.25 reimbursements to dentists and dental clinics deemed by the commissioner to be critical  
311.26 access dental providers. ~~Reimbursement to a critical access dental provider may be~~  
311.27 ~~increased by not more than 50~~ 6.88 percent above the reimbursement rate that would  
311.28 otherwise be paid to the provider. Payments to ~~health plan companies~~ prepaid health plans  
311.29 shall be adjusted to reflect increased reimbursements to critical access dental providers as  
311.30 approved by the commissioner. In determining which dentists and dental clinics shall be  
311.31 deemed critical access dental providers, the commissioner shall review:

311.32 (1) the utilization rate in the service area in which the dentist or dental clinic operates  
311.33 for dental services to patients covered by medical assistance, general assistance medical  
311.34 care, or MinnesotaCare as their primary source of coverage;

312.1 (2) the level of services provided by the dentist or dental clinic to patients covered  
312.2 by medical assistance, general assistance medical care, or MinnesotaCare as their primary  
312.3 source of coverage; and

312.4 (3) whether the level of services provided by the dentist or dental clinic is critical to  
312.5 maintaining adequate levels of patient access within the service area.

312.6 (d) The commissioner shall award special hardship grants to nonprofit dental  
312.7 providers with a high proportion of uninsured patients that equals or exceeds 15 percent  
312.8 of the total number of patients served by that provider and the provider does not receive  
312.9 a financial benefit comparable to other critical access dental providers under the critical  
312.10 access dental provider formula described in paragraph (c). The commissioner shall award  
312.11 a grant to these providers allocated in proportion to each critical access dental provider's  
312.12 ratio of uninsured patients to the total number of patients served by all providers who  
312.13 qualify for a grant under this paragraph.

312.14 In the absence of a critical access dental provider in a service area, the commissioner may  
312.15 designate a dentist or dental clinic as a critical access dental provider if the dentist or  
312.16 dental clinic is willing to provide care to patients covered by medical assistance, general  
312.17 assistance medical care, or MinnesotaCare at a level which significantly increases access  
312.18 to dental care in the service area.

312.19 ~~(d)~~ (e) An entity that operates both a Medicare certified comprehensive outpatient  
312.20 rehabilitation facility and a facility which was certified prior to January 1, 1993, that is  
312.21 licensed under Minnesota Rules, parts 9570.2000 to 9570.3600, and for whom at least 33  
312.22 percent of the clients receiving rehabilitation services in the most recent calendar year are  
312.23 medical assistance recipients, shall be reimbursed by the commissioner for rehabilitation  
312.24 services at rates that are 38 percent greater than the maximum reimbursement rate  
312.25 allowed under paragraph (a), clause (2), when those services are (1) provided within the  
312.26 comprehensive outpatient rehabilitation facility and (2) provided to residents of nursing  
312.27 facilities owned by the entity.

312.28 ~~(e)~~ (f) Effective for services rendered on or after January 1, 2007, the commissioner  
312.29 shall make payments for physician and professional services based on the Medicare  
312.30 relative value units (RVUs). This change shall be budget neutral and the cost of  
312.31 implementing RVUs will be incorporated in the established conversion factor.

312.32 **EFFECTIVE DATE.** This section is effective July 1, 2006.

312.33 Sec. 40. Minnesota Statutes 2005 Supplement, section 256D.03, subdivision 3, is  
312.34 amended to read:

313.1 Subd. 3. **General assistance medical care; eligibility.** (a) General assistance  
313.2 medical care may be paid for any person who is not eligible for medical assistance under  
313.3 chapter 256B, including eligibility for medical assistance based on a spenddown of excess  
313.4 income according to section 256B.056, subdivision 5, or MinnesotaCare as defined in  
313.5 paragraph (b), except as provided in paragraph (c), and:

313.6 (1) who is receiving assistance under section 256D.05, except for families with  
313.7 children who are eligible under Minnesota family investment program (MFIP), or who is  
313.8 having a payment made on the person's behalf under sections 256I.01 to 256I.06; or

313.9 (2) who is a resident of Minnesota; and

313.10 (i) who has gross countable income not in excess of 75 percent of the federal poverty  
313.11 guidelines for the family size, using a six-month budget period and whose equity in assets  
313.12 is not in excess of \$1,000 per assistance unit. Exempt assets, the reduction of excess  
313.13 assets, and the waiver of excess assets must conform to the medical assistance program in  
313.14 section 256B.056, subdivision 3, with the following exception: the maximum amount of  
313.15 undistributed funds in a trust that could be distributed to or on behalf of the beneficiary by  
313.16 the trustee, assuming the full exercise of the trustee's discretion under the terms of the  
313.17 trust, must be applied toward the asset maximum;

313.18 (ii) who has gross countable income above 75 percent of the federal poverty  
313.19 guidelines but not in excess of 175 percent of the federal poverty guidelines for the  
313.20 family size, using a six-month budget period, whose equity in assets is not in excess  
313.21 of the limits in section 256B.056, subdivision 3c, and who applies during an inpatient  
313.22 hospitalization; or

313.23 (iii) the commissioner shall adjust the income standards under this section each July  
313.24 1 by the annual update of the federal poverty guidelines following publication by the  
313.25 United States Department of Health and Human Services.

313.26 (b) Effective for applications and renewals processed on or after September 1, 2006,  
313.27 general assistance medical care may not be paid for applicants or recipients who are adults  
313.28 with dependent children under 21 whose gross family income is equal to or less than 275  
313.29 percent of the federal poverty guidelines who are not described in paragraph (e).

313.30 (c) Effective for applications and renewals processed on or after September 1, 2006,  
313.31 general assistance medical care may be paid for applicants and recipients who meet all  
313.32 eligibility requirements of paragraph (a), clause (2), item (i), for a temporary period  
313.33 beginning the date of application. Immediately following approval of general assistance  
313.34 medical care, enrollees shall be enrolled in MinnesotaCare under section 256L.04,  
313.35 subdivision 7, with covered services as provided in section 256L.03 for the rest of the  
313.36 six-month eligibility period, until their six-month renewal.

314.1 (d) To be eligible for general assistance medical care following enrollment in  
314.2 MinnesotaCare as required by paragraph (c), an individual must complete a new  
314.3 application.

314.4 (e) Applicants and recipients eligible under paragraph (a), clause (1), ~~or~~; who have  
314.5 applied for and are awaiting a determination of blindness or disability by the state medical  
314.6 review team or a determination of eligibility for Supplemental Security Income or Social  
314.7 Security Disability Insurance by the Social Security Administration, ~~or~~; who fail to meet  
314.8 the requirements of section 256L.09, subdivision 2; who are classified as end-stage renal  
314.9 disease beneficiaries in the Medicare program; who are enrolled in private health care  
314.10 coverage as defined in section 256B.02, subdivision 9; who are eligible under paragraph  
314.11 (j); or who receive treatment funded pursuant to section 254B.02 are exempt from the  
314.12 MinnesotaCare enrollment requirements of this subdivision.

314.13 (f) For applications received on or after October 1, 2003, eligibility may begin no  
314.14 earlier than the date of application. For individuals eligible under paragraph (a), clause  
314.15 (2), item (i), a redetermination of eligibility must occur every 12 months. Individuals are  
314.16 eligible under paragraph (a), clause (2), item (ii), only during inpatient hospitalization but  
314.17 may reapply if there is a subsequent period of inpatient hospitalization.

314.18 (g) Beginning September 1, 2006, Minnesota health care program applications and  
314.19 renewals completed by recipients and applicants who are persons described in paragraph  
314.20 (c) and submitted to the county agency shall be determined for MinnesotaCare eligibility  
314.21 by the county agency. If all other eligibility requirements of this subdivision are met,  
314.22 eligibility for general assistance medical care shall be available in any month during which  
314.23 MinnesotaCare enrollment is pending. Upon notification of eligibility for MinnesotaCare,  
314.24 notice of termination for eligibility for general assistance medical care shall be sent to  
314.25 an applicant or recipient. If all other eligibility requirements of this subdivision are  
314.26 met, eligibility for general assistance medical care shall be available until enrollment in  
314.27 MinnesotaCare subject to the provisions of paragraphs (c), (e), and (f).

314.28 (h) The date of an initial Minnesota health care program application necessary to  
314.29 begin a determination of eligibility shall be the date the applicant has provided a name,  
314.30 address, and Social Security number, signed and dated, to the county agency or the  
314.31 Department of Human Services. If the applicant is unable to provide a name, address,  
314.32 Social Security number, and signature when health care is delivered due to a medical  
314.33 condition or disability, a health care provider may act on an applicant's behalf to establish  
314.34 the date of an initial Minnesota health care program application by providing the county  
314.35 agency or Department of Human Services with provider identification and a temporary  
314.36 unique identifier for the applicant. The applicant must complete the remainder of the

315.1 application and provide necessary verification before eligibility can be determined. The  
315.2 county agency must assist the applicant in obtaining verification if necessary.

315.3 (i) County agencies are authorized to use all automated databases containing  
315.4 information regarding recipients' or applicants' income in order to determine eligibility  
315.5 for general assistance medical care or MinnesotaCare. Such use shall be considered  
315.6 sufficient in order to determine eligibility and premium payments by the county agency.

315.7 (j) General assistance medical care is not available for a person in a correctional  
315.8 facility unless the person is detained by law for less than one year in a county correctional  
315.9 or detention facility as a person accused or convicted of a crime, or admitted as an  
315.10 inpatient to a hospital on a criminal hold order, and the person is a recipient of general  
315.11 assistance medical care at the time the person is detained by law or admitted on a criminal  
315.12 hold order and as long as the person continues to meet other eligibility requirements  
315.13 of this subdivision.

315.14 (k) General assistance medical care is not available for applicants or recipients who  
315.15 do not cooperate with the county agency to meet the requirements of medical assistance.

315.16 (l) In determining the amount of assets of an individual eligible under paragraph  
315.17 (a), clause (2), item (i), there shall be included any asset or interest in an asset, including  
315.18 an asset excluded under paragraph (a), that was given away, sold, or disposed of for  
315.19 less than fair market value within the 60 months preceding application for general  
315.20 assistance medical care or during the period of eligibility. Any transfer described in this  
315.21 paragraph shall be presumed to have been for the purpose of establishing eligibility for  
315.22 general assistance medical care, unless the individual furnishes convincing evidence to  
315.23 establish that the transaction was exclusively for another purpose. For purposes of this  
315.24 paragraph, the value of the asset or interest shall be the fair market value at the time it  
315.25 was given away, sold, or disposed of, less the amount of compensation received. For any  
315.26 uncompensated transfer, the number of months of ineligibility, including partial months,  
315.27 shall be calculated by dividing the uncompensated transfer amount by the average monthly  
315.28 per person payment made by the medical assistance program to skilled nursing facilities  
315.29 for the previous calendar year. The individual shall remain ineligible until this fixed period  
315.30 has expired. The period of ineligibility may exceed 30 months, and a reapplication for  
315.31 benefits after 30 months from the date of the transfer shall not result in eligibility unless  
315.32 and until the period of ineligibility has expired. The period of ineligibility begins in the  
315.33 month the transfer was reported to the county agency, or if the transfer was not reported,  
315.34 the month in which the county agency discovered the transfer, whichever comes first. For  
315.35 applicants, the period of ineligibility begins on the date of the first approved application.



316.1 (m) When determining eligibility for any state benefits under this subdivision,  
 316.2 the income and resources of all noncitizens shall be deemed to include their sponsor's  
 316.3 income and resources as defined in the Personal Responsibility and Work Opportunity  
 316.4 Reconciliation Act of 1996, title IV, Public Law 104-193, sections 421 and 422, and  
 316.5 subsequently set out in federal rules.

316.6 (n) Undocumented noncitizens and nonimmigrants are ineligible for general  
 316.7 assistance medical care. For purposes of this subdivision, a nonimmigrant is an individual  
 316.8 in one or more of the classes listed in United States Code, title 8, section 1101(a)(15), and  
 316.9 an undocumented noncitizen is an individual who resides in the United States without the  
 316.10 approval or acquiescence of the Immigration and Naturalization Service.

316.11 (o) Notwithstanding any other provision of law, a noncitizen who is ineligible for  
 316.12 medical assistance due to the deeming of a sponsor's income and resources, is ineligible  
 316.13 for general assistance medical care.

316.14 (p) Effective July 1, 2003, general assistance medical care emergency services end.

316.15 **EFFECTIVE DATE. This section is effective September 1, 2006.**

316.16 Sec. 41. Minnesota Statutes 2005 Supplement, section 256L.01, subdivision 4, is  
 316.17 amended to read:

316.18 Subd. 4. **Gross individual or gross family income.** (a) "Gross individual or gross  
 316.19 family income" for nonfarm self-employed means income calculated for the six-month  
 316.20 period of eligibility using the net profit or loss reported on the applicant's federal income  
 316.21 tax form for the previous year and using the medical assistance families with children  
 316.22 methodology for determining allowable and nonallowable self-employment expenses and  
 316.23 countable income.

316.24 (b) "Gross individual or gross family income" for farm self-employed means income  
 316.25 calculated for the six-month period of eligibility using as the baseline the adjusted gross  
 316.26 income reported on the applicant's federal income tax form for the previous year ~~and~~  
 316.27 ~~adding back in reported depreciation amounts that apply to the business in which the~~  
 316.28 ~~family is currently engaged.~~

316.29 (c) "Gross individual or gross family income" means the total income for all family  
 316.30 members, calculated for the six-month period of eligibility.

316.31 **EFFECTIVE DATE. This section is effective July 1, 2007, or upon federal**  
 316.32 **approval, whichever is later.**

317.1 Sec. 42. Minnesota Statutes 2005 Supplement, section 256L.03, subdivision 1, is  
317.2 amended to read:

317.3 Subdivision 1. **Covered health services.** ~~For individuals under section 256L.04,~~  
317.4 ~~subdivision 7, with income no greater than 75 percent of the federal poverty guidelines~~  
317.5 ~~or for families with children under section 256L.04, subdivision 1, all subdivisions of~~  
317.6 ~~this section apply.~~ "Covered health services" means the health services reimbursed  
317.7 under chapter 256B, with the exception of inpatient hospital services, special education  
317.8 services, private duty nursing services, adult dental care services other than services  
317.9 covered under section 256B.0625, subdivision 9, orthodontic services, nonemergency  
317.10 medical transportation services, personal care assistant and case management services,  
317.11 nursing home or intermediate care facilities services, inpatient mental health services,  
317.12 and chemical dependency services. Outpatient mental health services covered under the  
317.13 MinnesotaCare program are limited to diagnostic assessments, psychological testing,  
317.14 explanation of findings, mental health telemedicine, psychiatric consultation, medication  
317.15 management by a physician, day treatment, partial hospitalization, and individual, family,  
317.16 and group psychotherapy.

317.17 No public funds shall be used for coverage of abortion under MinnesotaCare  
317.18 except where the life of the female would be endangered or substantial and irreversible  
317.19 impairment of a major bodily function would result if the fetus were carried to term; or  
317.20 where the pregnancy is the result of rape or incest.

317.21 Covered health services shall be expanded as provided in this section.

317.22 **EFFECTIVE DATE.** This section is effective July 1, 2007.

317.23 Sec. 43. Minnesota Statutes 2004, section 256L.03, subdivision 3, is amended to read:

317.24 Subd. 3. **Inpatient hospital services.** (a) Covered health services shall include  
317.25 inpatient hospital services, including inpatient hospital mental health services and inpatient  
317.26 hospital and residential chemical dependency treatment, subject to those limitations  
317.27 necessary to coordinate the provision of these services with eligibility under the medical  
317.28 assistance spenddown. ~~Prior to July 1, 1997, the inpatient hospital benefit for adult~~  
317.29 ~~enrollees is subject to an annual benefit limit of \$10,000.~~ The inpatient hospital benefit  
317.30 for adult enrollees who qualify under section 256L.04, subdivision 7, or who qualify  
317.31 under section 256L.04, subdivisions 1 and 2, with family gross income that exceeds  
2 175 percent of the federal poverty guidelines and who are not pregnant, is subject to an  
317.33 annual limit of ~~\$10,000~~ \$20,000.

318.1 (b) Admissions for inpatient hospital services paid for under section 256L.11,  
 318.2 subdivision 3, must be certified as medically necessary in accordance with Minnesota  
 318.3 Rules, parts 9505.0500 to 9505.0540, except as provided in clauses (1) and (2):

318.4 (1) all admissions must be certified, except those authorized under rules established  
 318.5 under section 254A.03, subdivision 3, or approved under Medicare; and

318.6 (2) payment under section 256L.11, subdivision 3, shall be reduced by five percent  
 318.7 for admissions for which certification is requested more than 30 days after the day of  
 318.8 admission. The hospital may not seek payment from the enrollee for the amount of the  
 318.9 payment reduction under this clause.

318.10 **EFFECTIVE DATE.** This section is effective July 1, 2007.

318.11 Sec. 44. Minnesota Statutes 2005 Supplement, section 256L.03, subdivision 5, is  
 318.12 amended to read:

318.13 Subd. 5. **Co-payments and coinsurance.** (a) Except as provided in paragraphs (b)  
 318.14 and (c), the MinnesotaCare benefit plan shall include the following co-payments and  
 318.15 coinsurance requirements for all enrollees:

318.16 (1) ten percent of the paid charges for inpatient hospital services for adult enrollees,  
 318.17 subject to an annual inpatient out-of-pocket maximum of \$1,000 per individual and  
 318.18 \$3,000 per family;

318.19 (2) \$3 per prescription for adult enrollees;

318.20 (3) \$25 for eyeglasses for adult enrollees;

318.21 (4) \$3 per nonpreventive visit. For purposes of this subdivision, a "visit" means an  
 318.22 episode of service which is required because of a recipient's symptoms, diagnosis, or  
 318.23 established illness, and which is delivered in an ambulatory setting by a physician or  
 318.24 physician ancillary, chiropractor, podiatrist, nurse midwife, advanced practice nurse,  
 318.25 audiologist, optician, or optometrist; and

318.26 (5) \$6 for nonemergency visits to a hospital-based emergency room; and

318.27 ~~(6) 50 percent of the fee-for-service rate for adult dental care services other than~~  
 318.28 ~~preventive care services for persons eligible under section 256L.04, subdivisions 1 to 7,~~  
 318.29 ~~with income equal to or less than 175 percent of the federal poverty guidelines.~~

318.30 (b) Paragraph (a), clause (1), does not apply to parents and relative caretakers of  
 318.31 children under the age of 21 ~~in households with family income equal to or less than 175~~  
 318.32 ~~percent of the federal poverty guidelines. Paragraph (a), clause (1), does not apply to~~  
 318.33 ~~parents and relative caretakers of children under the age of 21 in households with family~~  
 318.34 ~~income greater than 175 percent of the federal poverty guidelines for inpatient hospital~~  
 318.35 ~~admissions occurring on or after January 1, 2001.~~

319.1 (c) Paragraph (a), clauses (1) to (4), do not apply to pregnant women and children  
319.2 under the age of 21.

319.3 (d) Adult enrollees with family gross income that exceeds 175 percent of the  
319.4 federal poverty guidelines and who are not pregnant shall be financially responsible for  
319.5 the coinsurance amount, if applicable, and amounts which exceed the ~~\$10,000~~ \$20,000  
319.6 inpatient hospital benefit limit.

319.7 (e) When a MinnesotaCare enrollee becomes a member of a prepaid health  
319.8 plan, or changes from one prepaid health plan to another during a calendar year, any  
319.9 charges submitted towards the ~~\$10,000~~ \$20,000 annual inpatient benefit limit, and any  
319.10 out-of-pocket expenses incurred by the enrollee for inpatient services, that were submitted  
319.11 or incurred prior to enrollment, or prior to the change in health plans, shall be disregarded.

319.12 **EFFECTIVE DATE.** This section is effective July 1, 2007.

319.13 Sec. 45. Minnesota Statutes 2005 Supplement, section 256L.04, subdivision 1a,  
319.14 is amended to read:

319.15 Subd. 1a. **Social Security number required.** (a) Individuals and families applying  
319.16 for MinnesotaCare coverage must provide a Social Security number. This requirement  
319.17 does not apply to an undocumented noncitizen or nonimmigrant who is eligible for  
319.18 MinnesotaCare.

319.19 (b) The commissioner shall not deny eligibility to an otherwise eligible applicant  
319.20 who has applied for a Social Security number and is awaiting issuance of that Social  
319.21 Security number.

319.22 (c) Newborns enrolled under section 256L.05, subdivision 3, are exempt from the  
319.23 requirements of this subdivision.

319.24 (d) Individuals who refuse to provide a Social Security number because of  
319.25 well-established religious objections are exempt from the requirements of this subdivision.  
319.26 The term "well-established religious objections" has the meaning given in Code of Federal  
319.27 Regulations, title 42, section 435.910.

319.28 Sec. 46. Minnesota Statutes 2004, section 256L.04, subdivision 7, is amended to read:

319.29 Subd. 7. **Single adults and households with no children.** The definition of eligible  
319.30 persons includes all individuals and households with no children who have gross family  
31 incomes that are equal to or less than ~~175~~ 200 percent of the federal poverty guidelines.

319.32 **EFFECTIVE DATE.** This section is effective July 1, 2007.

320.1 Sec. 47. Minnesota Statutes 2004, section 256L.04, subdivision 10, is amended to read:

320.2 Subd. 10. **Citizenship requirements.** (a) Eligibility for MinnesotaCare is limited  
320.3 to citizens or nationals of the United States, qualified noncitizens, and other persons  
320.4 residing lawfully in the United States as described in section 256B.06, subdivision 4,  
320.5 paragraphs (a) to (e) and (j). Undocumented noncitizens and nonimmigrants are ineligible  
320.6 for MinnesotaCare. For purposes of this subdivision, a nonimmigrant is an individual in  
320.7 one or more of the classes listed in United States Code, title 8, section 1101(a)(15), and an  
320.8 undocumented noncitizen is an individual who resides in the United States without the  
320.9 approval or acquiescence of the Immigration and Naturalization Service. This paragraph  
320.10 does not apply to children.

320.11 (b) Families with children who are citizens or nationals of the United States must  
320.12 cooperate in obtaining satisfactory documentary evidence of citizenship or nationality as  
320.13 required by the federal Deficit Reduction Act of 2005, Public Law 109-171.

320.14 (c) For purposes of this subdivision, a nonimmigrant is an individual in one or  
320.15 more of the classes listed in United States Code, title 8, section 1101(a)(15), and an  
320.16 undocumented noncitizen is an individual who resides in the United States without the  
320.17 approval or acquiescence of the Immigration and Naturalization Service.

320.18 Sec. 48. Minnesota Statutes 2004, section 256L.04, is amended by adding a subdivision  
320.19 to read:

320.20 Subd. 14. **MinnesotaCare outreach.** (a) The commissioner shall award grants to  
320.21 public or private organizations to provide information on the importance of maintaining  
320.22 insurance coverage and on how to obtain coverage through the MinnesotaCare program in  
320.23 areas of the state with high uninsured populations.

320.24 (b) In awarding the grants, the commissioner shall consider the following:

320.25 (1) geographic areas and populations with high uninsured rates;

320.26 (2) the ability to raise matching funds; and

320.27 (3) the ability to contact or serve eligible populations.

320.28 The commissioner shall monitor the grants and may terminate a grant if the outreach  
320.29 effort does not increase enrollment in medical assistance, general assistance medical care,  
320.30 or the MinnesotaCare program.

320.31 **EFFECTIVE DATE.** This section is effective July 1, 2006.

320.32 Sec. 49. Minnesota Statutes 2005 Supplement, section 256L.07, subdivision 1, is  
320.33 amended to read:

321.1 Subdivision 1. **General requirements.** ~~(a) Children enrolled in the original~~  
 321.2 ~~children's health plan as of September 30, 1992, children who enrolled in the~~  
 321.3 ~~MinnesotaCare program after September 30, 1992, pursuant to Laws 1992, chapter 549,~~  
 321.4 ~~article 4, section 17, and children who have family gross incomes that are equal to or~~  
 321.5 ~~less than 150 percent of the federal poverty guidelines are eligible without meeting~~  
 321.6 ~~the requirements of subdivision 2 and the four-month requirement in subdivision 3, as~~  
 321.7 ~~long as they maintain continuous coverage in the MinnesotaCare program or medical~~  
 321.8 ~~assistance. Children who apply for MinnesotaCare on or after the implementation date~~  
 321.9 ~~of the employer-subsidized health coverage program as described in Laws 1998, chapter~~  
 321.10 ~~407, article 5, section 45, who have family gross incomes that are equal to or less than 150~~  
 321.11 ~~percent of the federal poverty guidelines, must meet the requirements of subdivision 2 to~~  
 321.12 ~~be eligible for MinnesotaCare.~~

321.13 ~~(b)~~ Families enrolled in MinnesotaCare under section 256L.04, subdivision 1,  
 321.14 whose income increases above 275 percent of the federal poverty guidelines, are no  
 321.15 longer eligible for the program and shall be disenrolled by the commissioner. Individuals  
 321.16 enrolled in MinnesotaCare under section 256L.04, subdivision 7, whose income increases  
 321.17 above ~~175~~ 200 percent of the federal poverty guidelines are no longer eligible for the  
 321.18 program and shall be disenrolled by the commissioner. For persons disenrolled under  
 321.19 this subdivision, MinnesotaCare coverage terminates the last day of the calendar month  
 321.20 following the month in which the commissioner determines that the income of a family or  
 321.21 individual exceeds program income limits.

321.22 ~~(c)~~ (b) Notwithstanding paragraph ~~(b)~~ (a), children may remain enrolled in  
 321.23 MinnesotaCare if ten percent of their gross individual or gross family income as defined  
 321.24 in section 256L.01, subdivision 4, is less than the premium for a six-month policy with  
 321.25 a \$500 deductible available through the Minnesota Comprehensive Health Association.  
 321.26 Children who are no longer eligible for MinnesotaCare under this clause shall be given a  
 321.27 12-month notice period from the date that ineligibility is determined before disenrollment.  
 321.28 The premium for children remaining eligible under this clause shall be the maximum  
 321.29 premium determined under section 256L.15, subdivision 2, paragraph (b).

321.30 ~~(d)~~ (c) Notwithstanding paragraphs ~~(b)~~ (a) and ~~(c)~~ (b), parents are not eligible for  
 321.31 MinnesotaCare if gross household income exceeds \$25,000 for the six-month period  
 321.32 of eligibility.

321.33 **EFFECTIVE DATE.** Amendments to paragraph (a) are effective January 1, 2009,  
 321.34 and amendments to paragraph (b) are effective July 1, 2007.

321.35 Sec. 50. Minnesota Statutes 2004, section 256L.07, subdivision 2, is amended to read:

322.1 Subd. 2. **Must not have access to employer-subsidized coverage.** (a) To be  
 322.2 eligible, ~~a family or individual~~ an adult must not have access to subsidized health coverage  
 322.3 through an employer and must not have had access to employer-subsidized coverage  
 322.4 through a current employer for 18 months prior to application or reapplication. ~~A family~~  
 322.5 ~~or individual~~ An adult whose employer-subsidized coverage is lost due to an employer  
 322.6 terminating health care coverage as an employee benefit during the previous 18 months  
 322.7 is not eligible.

322.8 (b) This subdivision does not apply to ~~a family or individual~~ an adult who was  
 322.9 enrolled in MinnesotaCare within six months or less of reapplication and who no longer  
 322.10 has employer-subsidized coverage due to the employer terminating health care coverage  
 322.11 as an employee benefit.

322.12 (c) For purposes of this requirement, subsidized health coverage means health  
 322.13 coverage for which the employer pays at least 50 percent of the cost of coverage for  
 322.14 the employee or dependent, or a higher percentage as specified by the commissioner.  
 322.15 ~~Children are eligible for employer-subsidized coverage through either parent, including~~  
 322.16 ~~the noncustodial parent.~~ The commissioner must treat employer contributions to Internal  
 322.17 Revenue Code Section 125 plans and any other employer benefits intended to pay  
 322.18 health care costs as qualified employer subsidies toward the cost of health coverage for  
 322.19 employees for purposes of this subdivision.

322.20 (d) This subdivision does not apply to children.

322.21 **EFFECTIVE DATE.** This section is effective January 1, 2009.

322.22 Sec. 51. Minnesota Statutes 2005 Supplement, section 256L.07, subdivision 3, is  
 322.23 amended to read:

322.24 Subd. 3. **Other health coverage.** (a) ~~Families and individuals~~ Adults enrolled in  
 322.25 the MinnesotaCare program must have no health coverage while enrolled or for at least  
 322.26 four months prior to application and renewal. ~~Children enrolled in the original children's~~  
 322.27 ~~health plan and children in families with income equal to or less than 150 percent of the~~  
 322.28 ~~federal poverty guidelines, who have other health insurance, are eligible if the coverage:~~

322.29 ~~(1) lacks two or more of the following:~~

322.30 ~~(i) basic hospital insurance;~~

322.31 ~~(ii) medical-surgical insurance;~~

322.32 ~~(iii) prescription drug coverage;~~

322.33 ~~(iv) dental coverage; or~~

322.34 ~~(v) vision coverage;~~

322.35 ~~(2) requires a deductible of \$100 or more per person per year; or~~

323.1 ~~(3) lacks coverage because the child has exceeded the maximum coverage for a~~  
 323.2 ~~particular diagnosis or the policy excludes a particular diagnosis.~~

323.3 The commissioner may change this eligibility criterion for sliding scale premiums in  
 323.4 order to remain within the limits of available appropriations. ~~The requirement of no health~~  
 323.5 ~~coverage~~ This paragraph does not apply to newborns children.

323.6 (b) Medical assistance, general assistance medical care, and the Civilian Health and  
 323.7 Medical Program of the Uniformed Service, CHAMPUS, or other coverage provided under  
 323.8 United States Code, title 10, subtitle A, part II, chapter 55, are not considered insurance or  
 323.9 health coverage for purposes of the four-month requirement described in this subdivision.

323.10 (c) For purposes of this subdivision, an applicant or enrollee who is entitled to  
 323.11 Medicare Part A or enrolled in Medicare Part B coverage under title XVIII of the Social  
 323.12 Security Act, United States Code, title 42, sections 1395c to 1395w-152, is considered to  
 323.13 have health coverage. An applicant or enrollee who is entitled to premium-free Medicare  
 323.14 Part A may not refuse to apply for or enroll in Medicare coverage to establish eligibility  
 323.15 for MinnesotaCare.

323.16 (d) Applicants who were recipients of medical assistance or general assistance  
 323.17 medical care within one month of application must meet the provisions of this subdivision  
 323.18 and subdivision 2.

323.19 (e) Cost-effective health insurance that was paid for by medical assistance is not  
 323.20 considered health coverage for purposes of the four-month requirement under this  
 323.21 section, except if the insurance continued after medical assistance no longer considered it  
 323.22 cost-effective or after medical assistance closed.

323.23 **EFFECTIVE DATE. This section is effective January 1, 2009.**

323.24 Sec. 52. Minnesota Statutes 2004, section 256L.11, subdivision 1, is amended to read:

323.25 Subdivision 1. **Medical assistance rate to be used.** Payment to providers under  
 323.26 sections 256L.01 to 256L.11 shall be at the same rates and conditions established for  
 323.27 medical assistance, except as provided in subdivisions 2 to ~~6~~ 8.

323.28 **EFFECTIVE DATE. This section is effective July 1, 2006.**

323.29 Sec. 53. Minnesota Statutes 2004, section 256L.11, is amended by adding a subdivision  
 323.30 to read:

323.31 **Subd. 7. Critical access dental providers.** Effective for dental services provided  
 323.32 to MinnesotaCare enrollees on or after January 1, 2007, the commissioner shall increase  
 323.33 payment rates to dentists and dental clinics deemed by the commissioner to be critical



324.1 access providers under section 256B.76, paragraph (c), by 50 percent above the payment  
324.2 rate that would otherwise be paid to the provider. The commissioner shall adjust the  
324.3 rates paid on or after January 1, 2007, to prepaid health plans under contract with the  
324.4 commissioner to reflect this rate increase. The prepaid health plan must pass this rate  
324.5 increase to providers who have been identified by the commissioner as critical access  
324.6 dental providers under section 256B.76, paragraph (c).

324.7 **EFFECTIVE DATE.** This section is effective July 1, 2006.

324.8 Sec. 54. Minnesota Statutes 2004, section 256L.11, is amended by adding a subdivision  
324.9 to read:

324.10 **Subd. 8. Provider rate increase.** (a) Effective for services provided on or after July  
324.11 1, 2006, payments to providers shall be increased by 1.85 percent over the rates in effect  
324.12 on June 30, 2006. The commissioner shall adjust the rates paid on or after January 1,  
324.13 2007, to prepaid health plans under contract with the commissioner to reflect this payment  
324.14 increase. The prepaid health plan must pass this payment increase to providers.

324.15 (b) On September 1 of each year, beginning September 1, 2008, the commissioner of  
324.16 finance shall determine the projected balance of the health care access fund as of June  
324.17 30 of the following year based on the most recent February forecast adjusted for any  
324.18 legislative session changes. If the commissioner of finance determines that the projected  
324.19 balance in the health care access fund as of that June 30 will exceed five percent of the  
324.20 projected expenditures from the fund for the fiscal year ending the following June 30, the  
324.21 rate increase described in paragraph (a) shall be paid at a percentage adjusted so that the  
324.22 projected balance in the fund is reduced to an amount equal to five percent of the projected  
324.23 expenditures from the fund. If the commissioner of finance determines that the projected  
324.24 balance in the health care access fund as of June 30 will not exceed five percent of the  
324.25 projected expenditures from the fund for the fiscal year ending the following June 30, the  
324.26 rate increase described in paragraph (a) shall not be paid for the following fiscal year.

324.27 **EFFECTIVE DATE.** This section is effective July 1, 2006.

324.28 Sec. 55. Minnesota Statutes 2004, section 256L.15, subdivision 1, is amended to read:

324.29 **Subdivision 1. Premium determination.** (a) Families with children and individuals  
324.30 shall pay a premium determined according to subdivision 2.

324.31 (b) Pregnant women and children under age two are exempt from the provisions  
324.32 of section 256L.06, subdivision 3, paragraph (b), clause (3), requiring disenrollment  
324.33 for failure to pay premiums. For pregnant women, this exemption continues until the

325.1 first day of the month following the 60th day postpartum. Women who remain enrolled  
325.2 during pregnancy or the postpartum period, despite nonpayment of premiums, shall be  
325.3 disenrolled on the first of the month following the 60th day postpartum for the penalty  
325.4 period that otherwise applies under section 256L.06, unless they begin paying premiums.

325.5 (c) Members of the military and their families who meet the eligibility criteria for  
325.6 MinnesotaCare upon eligibility approval made within 24 months following the end of  
325.7 the member's tour of active duty shall have their premiums paid by the commissioner.  
325.8 The effective date of coverage for an individual or family who meets the criteria of this  
325.9 paragraph shall be the first day of the month following the month in which eligibility is  
325.10 approved. This exemption shall apply for 12 months if the individual or family remains  
325.11 eligible upon six-month renewal.

325.12 EFFECTIVE DATE. This section is effective July 1, 2007, or upon federal  
325.13 approval, whichever is later.

325.14 Sec. 56. Minnesota Statutes 2005 Supplement, section 256L.15, subdivision 2, is  
325.15 amended to read:

325.16 **Subd. 2. Sliding fee scale to determine percentage of monthly gross individual**  
325.17 **or family income.** (a) The commissioner shall establish a sliding fee scale to determine  
325.18 the percentage of monthly gross individual or family income that households at different  
325.19 income levels must pay to obtain coverage through the MinnesotaCare program. The  
325.20 sliding fee scale must be based on the enrollee's monthly gross individual or family  
325.21 income. The sliding fee scale must contain separate tables based on enrollment of one,  
325.22 two, or three or more persons. The sliding fee scale begins with a premium of 1.5 percent  
325.23 of monthly gross individual or family income for individuals or families with incomes  
325.24 below the limits for the medical assistance program for families and children in effect on  
325.25 January 1, 1999, and proceeds through the following evenly spaced steps: 1.8, 2.3, 3.1,  
325.26 3.8, 4.8, 5.9, 7.4, and 8.8 percent. These percentages are matched to evenly spaced income  
325.27 steps ranging from the medical assistance income limit for families and children in effect  
325.28 on January 1, 1999, to 275 percent of the federal poverty guidelines for the applicable  
325.29 family size, up to a family size of five. The sliding fee scale for a family of five must be  
325.30 used for families of more than five. Effective October 1, 2003, the commissioner shall  
325.31 increase each percentage by 0.5 percentage points for enrollees with income greater than  
325.32 100 percent but not exceeding 200 percent of the federal poverty guidelines and shall  
325.33 increase each percentage by 1.0 percentage points for families and children with incomes  
325.34 greater than 200 percent of the federal poverty guidelines. The sliding fee scale and  
325.35 percentages are not subject to the provisions of chapter 14. If a family or individual

326.1 reports increased income after enrollment, premiums shall be adjusted at the time the  
326.2 change in income is reported.

326.3 (b) Children in families whose gross income is above 275 percent of the federal  
326.4 poverty guidelines shall pay the maximum premium. The maximum premium is defined  
326.5 as a base charge for one, two, or three or more enrollees so that if all MinnesotaCare  
326.6 cases paid the maximum premium, the total revenue would equal the total cost of  
326.7 MinnesotaCare medical coverage and administration. In this calculation, administrative  
326.8 costs shall be assumed to equal ten percent of the total. The costs of medical coverage  
326.9 for pregnant women and children under age two and the enrollees in these groups shall  
326.10 be excluded from the total. The maximum premium for two enrollees shall be twice the  
326.11 maximum premium for one, and the maximum premium for three or more enrollees shall  
326.12 be three times the maximum premium for one.

326.13 ~~(c) After calculating the percentage of premium each enrollee shall pay under~~  
326.14 ~~paragraph (a), eight percent shall be added to the premium.~~

326.15 **EFFECTIVE DATE.** This section is effective July 1, 2007.

326.16 **Sec. 57. [256L.20] MINNESOTACARE OPTION FOR SMALL EMPLOYERS.**

326.17 **Subdivision 1. Definitions.** (a) For the purposes of this section, the terms used  
326.18 have the meanings given them.

326.19 (b) "Dependent" means an unmarried child under the age of 21.

326.20 (c) "Eligible employee" means an employee who works at least 20 hours per week  
326.21 for an eligible employer. Eligible employee does not include an employee who works  
326.22 on a temporary or substitute basis or who does not work more than 26 weeks annually.  
326.23 Coverage of an eligible employee includes the employee's spouse.

326.24 (d) "Eligible employer" means a business that employs at least two, but not more  
326.25 than 50, eligible employees, the majority of whom are employed in the state, and includes  
326.26 a municipality that has 50 or fewer employees.

326.27 (e) "Maximum premium" has the meaning given under section 256L.15, subdivision  
326.28 2, paragraph (b), clause (3).

326.29 (f) "Participating employer" means an eligible employer who meets the requirements  
326.30 in subdivision 3 and applies to the commissioner to enroll its eligible employees and their  
326.31 dependents in the MinnesotaCare program.

326.32 (g) "Program" means the MinnesotaCare program.

326.33 **Subd. 2. Option.** Eligible employees and their dependents may enroll in  
326.34 MinnesotaCare if the eligible employer meets the requirements of subdivision 3. The  
326.35 effective date of coverage is as defined in section 256L.05, subdivision 3.

327.1 Subd. 3. Employer requirements. The commissioner shall establish procedures for  
327.2 an eligible employer to apply for coverage through the program. In order to participate, an  
327.3 eligible employer must meet the following requirements:

327.4 (1) agree to contribute toward the cost of the premium for the employee, the  
327.5 employee's spouse, and the employee's dependents according to subdivision 4;

327.6 (2) certify that at least 75 percent of its eligible employees who do not have other  
327.7 creditable health coverage are enrolled in the program;

327.8 (3) offer coverage to all eligible employees, spouses, and dependents of eligible  
327.9 employees; and

327.10 (4) have not provided employer-subsidized health coverage as an employee benefit  
327.11 during the previous 12 months, as defined in section 256L.07, subdivision 2, paragraph (c).

327.12 Subd. 4. Premiums. (a) The premium for coverage provided under this section is  
327.13 equal to the maximum premium regardless of the income of the eligible employee, as  
327.14 defined in section 256L.15, subdivision 2, paragraph (b).

327.15 (b) For eligible employees without dependents with income equal to or less than 175  
327.16 percent of the federal poverty guidelines and for eligible employees with dependents with  
327.17 income equal to or less than 275 percent of the federal poverty guidelines, the participating  
327.18 employer shall pay 50 percent of the premium established under paragraph (a) for the  
327.19 eligible employee, the employee's spouse, and any dependents, if applicable.

327.20 (c) For eligible employees without dependents with income over 175 percent of the  
327.21 federal poverty guidelines and for eligible employees with dependents with income over  
327.22 275 percent of the federal poverty guidelines, the participating employer shall pay the  
327.23 full cost of the premium established under paragraph (a) for the eligible employee, the  
327.24 employee's spouse, and any dependents, if applicable. The participating employer may  
327.25 require the employee to pay a portion of the cost of the premium so long as the employer  
327.26 pays 50 percent. If the employer requires the employee to pay a portion of the premium,  
327.27 the employee shall pay the portion of the cost to the employer.

327.28 (d) The commissioner shall collect premium payments from participating employers  
327.29 for eligible employees, spouses, and dependents who are covered by the program as  
327.30 provided under this section. All premiums collected shall be deposited in the health care  
327.31 access fund.

327.32 Subd. 5. Coverage. The coverage offered to those enrolled in the program under  
327.33 this section must include all health services described under section 256L.03 and all  
327.34 co-payments and coinsurance requirements under section 256L.03, subdivision 5, apply.

327.35 Subd. 6. Enrollment. Upon payment of the premium, according to this section  
327.36 and section 256L.06, eligible employees, spouses, and dependents shall be enrolled in

328.1 MinnesotaCare. For purposes of enrollment under this section, income eligibility limits  
328.2 established under sections 256L.04 and 256L.07, subdivision 1, and asset limits established  
328.3 under section 256L.17 do not apply. The barriers established under section 256L.07,  
328.4 subdivision 2 or 3, do not apply to enrollees eligible under this section. The commissioner  
328.5 may require eligible employees to provide income verification to determine premiums.

328.6 **EFFECTIVE DATE.** This section is effective July 1, 2008.

328.7 Sec. 58. Minnesota Statutes 2004, section 462A.05, is amended by adding a  
328.8 subdivision to read:

328.9 Subd. 42. Reverse mortgage incentive program. (a) The agency shall, within the  
328.10 limits of appropriations made available for this purpose, establish, in cooperation with  
328.11 the commissioner of human services, a program to encourage eligible persons to obtain  
328.12 reverse mortgages to pay for eligible costs of maintaining the person in the home as an  
328.13 alternative to a nursing facility placement.

328.14 (b) The incentive program shall be made available to a person who has been  
328.15 determined by the commissioner of human services or the commissioner's designated  
328.16 agent to meet all of the following criteria:

328.17 (1) is age 62 or older;

328.18 (2) would be eligible for medical assistance within 365 days of admission to a  
328.19 nursing home;

328.20 (3) is not a medical assistance recipient, is not eligible for medical assistance without  
328.21 a spenddown or waiver obligation, is not ineligible for the medical assistance program due  
328.22 to an asset transfer penalty, and does not have income greater than the maintenance needs  
328.23 allowance under section 256B.0915, subdivision 1d, but equal to or less than 120 percent  
328.24 of the federal poverty guidelines effective July 1 in the year for which program eligibility  
328.25 is established, who would be eligible for the elderly waiver with a waiver obligation;

328.26 (4) needs services that are not funded through other state or federal funding for  
328.27 which the person qualifies;

328.28 (5) obtains a reverse mortgage loan under section 47.58 on a home with an estimated  
328.29 market value not to exceed \$150,000. This limit shall be adjusted annually on April 1  
328.30 by the percentage change for the previous calendar year in the housing component of the  
328.31 United States Consumer Price Index - All Urban Consumers; and

328.32 (6) agrees to make expenditures of reverse mortgage payments in accordance with a  
328.33 spending plan established under section 256B.0911, subdivision 3a, in which payments,  
328.34 services, and supports meet the following standards:

329.1 (i) payments received under the loan for a period of at least 24 months or in an  
 329.2 amount of at least \$15,000 are used for services and supports, including basic shelter  
 329.3 needs, home maintenance, and modifications or adaptations, necessary to allow the person  
 329.4 to remain in the home as an alternative to a nursing facility placement;

329.5 (ii) reimbursements for services, supplies, and equipment shall not exceed the  
 329.6 market rate; and

329.7 (iii) if the person's spouse qualifies under section 256B.0913, subdivisions 1 to 14,  
 329.8 the reverse mortgage payments may be used to pay client fees under that section.

329.9 (c) The incentives available under this program shall include:

329.10 (1) payment of the initial mortgage insurance premium for a reverse mortgage.  
 329.11 The maximum payment under this clause shall be limited to \$1,500. This limit shall be  
 329.12 adjusted annually on April 1 by the percentage change for the previous calendar year in the  
 329.13 housing component of the United States Consumer Price Index - All Urban Consumers;

329.14 (2) with federal approval, payments to reduce service fee set-asides, through an  
 329.15 advance payment to the lender, an agreement to guarantee fee payments after 60 months  
 329.16 if the set-aside is limited to 60 months, or through other mechanisms approved by the  
 329.17 commissioner; and

329.18 (3) other incentives approved by the commissioner.

329.19 (d) After calculating the adjusted maximum payment limits under paragraphs (b)  
 329.20 and (c), the commissioner shall annually notify the Office of the Revisor of Statutes in  
 329.21 writing, on or before May 1, of the adjusted limits. The revisor shall annually publish in  
 329.22 the Minnesota Statutes the adjusted maximum payment limits under paragraph (b).

329.23 **Sec. 59. Laws 2005, First Special Session chapter 4, article 9, section 5, subdivision 8,**  
 329.24 **is amended to read:**

329.25 **Subd. 8. Board of Nursing** 3,078,000 3,631,000

329.26  
 329.27 **BASE ADJUSTMENT.** The base for the  
 329.28 board of nursing is increased by \$141,000  
 329.29 in fiscal year 2008 and by \$216,000 in fiscal  
 329.30 year 2009.

329.31 **BOARD OF NURSING**  
 329.32 **APPROPRIATIONS INCREASE.** Of  
 329.33 this appropriation, \$120,000 the first year

329.34 and \$126,000 the second year are for the  
330.1 increased cost of board operations, excluding  
330.2 salary increases and \$85,000 each year is to  
330.3 hire an advanced practice registered nurse.

330.4 **TRANSFERS FROM SPECIAL**  
330.5 **REVENUE FUND.** Of this appropriation,  
330.6 the following transfers shall be made as  
330.7 directed from the state government special  
330.8 revenue fund:

330.9 (a) \$392,000 in fiscal year 2006, \$864,000  
330.10 in fiscal year 2007, \$930,000 in fiscal year  
330.11 2008, and \$930,000 in fiscal year 2009  
330.12 shall be transferred to the general fund  
330.13 and is appropriated to the Department  
330.14 of Human Services to offset the state  
330.15 share of the medical assistance program  
330.16 costs of the long-term care and home and  
330.17 community-based care employee scholarship  
330.18 program and associated administrative costs.

330.19 At the end of each biennium, any funds  
330.20 not expended for the scholarship program  
330.21 and associated administrative costs shall  
330.22 ~~be transferred to the state government~~  
330.23 ~~special revenue fund~~ carried over to the  
330.24 next biennium for the same purpose.

330.25 Notwithstanding section 15, this paragraph  
330.26 expires June 30, ~~2009~~ 2011.

330.27 (b) \$125,000 the first year and \$200,000 the  
330.28 second year shall be transferred to the health  
330.29 professional education loan forgiveness  
330.30 program account for loan forgiveness  
330.31 for nurses under Minnesota Statutes,  
330.32 section 144.1501. This appropriation shall  
330.33 become part of base level funding for the  
330.34 commissioner for the biennium beginning

330.35 July 1, 2007, but shall not be part of base  
331.1 level funding for the biennium beginning  
331.2 July 1, 2009. Notwithstanding section 15,  
331.3 this paragraph expires on June 30, 2009.

331.4 **Sec. 60. FEDERAL GOVERNMENT CHANGES.**

331.5 The commissioner of human services shall seek reimbursement from the federal  
331.6 government for funds expended by the state to provide drug coverage to medical  
331.7 assistance recipients who are enrolled or in the process of enrolling in Medicare Part  
331.8 D. The commissioner shall also continue to pursue federal changes to Medicare Part D  
331.9 to address lapses in drug coverage for medical assistance recipients who are enrolled  
331.10 in Medicare Part D but who are taking prescription drugs that are not included in the  
331.11 formularies used by the Medicare Part D drug plans that meet the low-income premium  
331.12 benchmark set for Minnesota or who are in the process of enrolling in a Medicare Part  
331.13 D prescription drug plan.

331.14 **Sec. 61. LIST OF COUNTY LONG-TERM CARE FUNCTIONS.**

331.15 The commissioner of human services, in consultation with county organizations,  
331.16 shall provide a status report to the legislature by January 15, 2007, that includes a list of  
331.17 core county long-term care functions and an analysis of existing and potential funding  
331.18 sources for these functions.

331.19 **Sec. 62. PHARMACY PAYMENT REFORM ADVISORY COMMITTEE.**

331.20 Subdivision 1. Definitions. For purposes of this section, the following words, terms,  
331.21 and phrases have the following meanings:

331.22 (a) "Department" means the Department of Human Services.

331.23 (b) "Commissioner" means the commissioner of human services.

331.24 (c) "Cost of dispensing" includes, but is not limited to, operational and overhead  
331.25 costs; professional counseling as required under the Omnibus Budget Reconciliation Act  
331.26 of 1990, excluding medication management services under Minnesota Statutes, section  
331.27 256B.0625, subdivision 13h; salaries; and other associated administrative costs, as well  
331.28 as a reasonable return on investment. In addition, cost of dispensing includes expenses  
331.29 transferred by wholesale drug distributors to pharmacies as a result of the wholesale drug  
331.30 distributor tax under Minnesota Statutes, sections 295.52 to 295.582.

331.31 (d) "Additional costs" include, but are not limited to, costs relating to coordination of  
331.32 benefits, bad debt, uncollected co-pays, payment lag times, and high rate of rejected claims.



332.1 (e) "Advisory committee" means the Pharmacy Payment Reform Advisory  
332.2 Committee established by this section.

332.3 Subd. 2. Advisory committee. The Pharmacy Payment Reform Advisory  
332.4 Committee is established under the direction of the commissioner of human services.  
332.5 The commissioner, after receiving recommendations from the Minnesota Pharmacists  
332.6 Association, the Minnesota Retailers Association, the Minnesota Hospital Association,  
332.7 and the Minnesota Wholesale Druggists Association, shall convene a pharmacy payment  
332.8 reform advisory committee to advise the commissioner and make recommendations to the  
332.9 legislature on implementation of pharmacy reforms contained in title VI, chapter IV, of  
332.10 the Deficit Reduction Act of 2005. The committee shall be comprised of three licensed  
332.11 pharmacists representing both independent and chain pharmacy entities, one of whom  
332.12 must have expertise in pharmacoconomics, two individuals representing hospitals with  
332.13 outpatient pharmacies, and two individuals with expertise in wholesale drug distribution.  
332.14 The committee shall be staffed by an employee of the department who shall serve as an  
332.15 ex officio nonvoting member of the committee. The department's pharmacy program  
332.16 manager shall also serve as an ex officio, nonvoting member of the committee. The  
332.17 committee is governed by Minnesota Statutes, section 15.059, except that committee  
332.18 members do not receive compensation or reimbursement for expenses. The advisory  
332.19 committee expires on January 31, 2008.

332.20 Subd. 3. Cost of dispensing study. The commissioner shall conduct a prescription  
332.21 drug cost of dispensing study to determine the average cost of dispensing Medicaid  
332.22 prescriptions in Minnesota. The commissioner shall contract with an independent third  
332.23 party in the state that has experience conducting business cost allocation studies, such as  
332.24 an academic institution, to conduct a prescription drug cost of dispensing study. If no  
332.25 independent third-party entity exists in the state, the commissioner may contract with an  
332.26 out-of-state entity. The cost of dispensing study shall be completed by an independent  
332.27 third party no later than October 1, 2006, and reported to the commissioner and the  
332.28 advisory committee upon completion.

332.29 Subd. 4. Content of study. The study shall determine the cost of dispensing  
332.30 the average prescription and any additional costs that might be incurred for dispensing  
332.31 Medicaid prescriptions. The study shall include the current level of dispensing fees paid  
332.32 to providers and an estimate of revenues required to adequately adjust reimbursement  
332.33 to cover the cost to pharmacies.

332.34 Subd. 5. Methodology of study and publishing requirement. The independent  
332.35 third-party entity performing the cost of dispensing research shall submit to the advisory  
332.36 committee the entity's proposed research methodology and shall publish the collected data

333.1 to allow other independent researchers to validate the study results. The data shall be  
333.2 published in a manner that does not identify the source of the data.

333.3 Subd. 6. Recommendations. The advisory committee shall use the information  
333.4 from the cost of dispensing study and make recommendations to the commissioner on  
333.5 implementation of pharmacy reforms contained in title VI, chapter IV, of the Deficit  
333.6 Reduction Act of 2005. The commissioner shall report the findings of the study and the  
333.7 recommendations of the advisory committee to the legislature by January 15, 2007. The  
333.8 commissioner, in consultation with the advisory committee, shall make recommendations  
333.9 to the legislature on how to adequately adjust reimbursement rates to pharmacies to cover  
333.10 the costs of dispensing and additional costs to pharmacies. Reports shall include the  
333.11 current level of dispensing fees paid to providers and an estimate of revenues required to  
333.12 adequately adjust reimbursement to ensure that:

333.13 (1) reimbursement is sufficient to enlist an adequate number of participating  
333.14 pharmacy providers so that pharmacy services are as available for Medicaid recipients  
333.15 under the program as for the state's general population;

333.16 (2) Medicaid dispensing fees are adequate to reimburse pharmacy providers for the  
333.17 costs of dispensing prescriptions under the Medicaid program;

333.18 (3) Medicaid pharmacy reimbursement for multiple-source drugs included on the  
333.19 federal upper reimbursement limit is set at the level established by the federal government  
333.20 under United States Code, title 42, section 1396r-8(e)(5);

333.21 (4) the combined Medicaid program reimbursement for prescription drug product  
333.22 and the dispensing fee provides a return adequate to provide a reasonable profit for the  
333.23 participating pharmacy; and

333.24 (5) the new payment system does not create disincentives for pharmacists to  
333.25 dispense generic drugs.

333.26 EFFECTIVE DATE. This section is effective the day following final enactment.

333.27 **Sec. 63. REPAYMENT DELAY.**

333.28 A county that overspent its allowed amounts in calendar year 2004 or 2005 under  
333.29 the waived services program for persons with developmental disabilities shall not be  
333.30 required to pay back the amount of overspending until May 31, 2007.

331 **Sec. 64. STAKEHOLDER PARTICIPATION.**

333.32 The commissioner of human services shall confer with one or more stakeholder  
333.33 groups of interested persons, including representatives of recipients, advocacy groups,  
333.34 counties, providers, and health plans to provide information and advice on the development

334.1 of any substantial proposals for changes in the medical assistance program authorized by  
334.2 the federal Deficit Reduction Act of 2005, Public Law 109-171. In addition, for any  
334.3 substantial Deficit Reduction Act-related medical assistance change that affects recipients  
334.4 and that is proposed outside of the legislative or rulemaking process, the commissioner  
334.5 shall convene a stakeholder meeting and provide a 30-day comment period before the  
334.6 change becomes effective. If the time frame required to comply with a federal mandate  
334.7 precludes the 30-day advance notice, notice shall be given to the stakeholder group as  
334.8 soon as possible.

334.9 **EFFECTIVE DATE.** This section is effective the day following final enactment.

334.10 **Sec. 65. REVISOR'S INSTRUCTION.**

334.11 (a) The revisor of statutes shall strike all references to the "Class E assisted living  
334.12 home care programs license," "Class E license," and similar terms in Minnesota Rules,  
334.13 chapters 4668 and 4669. In sections affected by this instruction, the revisor may make  
334.14 changes necessary to correct the punctuation, grammar, or structure of the remaining text  
334.15 and preserve its meaning.

334.16 (b) The revisor of statutes shall change the term "assisted living home care provider,"  
334.17 "assisted living license," and similar terms to "Class F home care provider," "Class F  
334.18 license," in Minnesota Rules, chapter 4668. In sections affected by this instruction, the  
334.19 revisor may make changes necessary to correct the punctuation, grammar, or structure of  
334.20 the remaining text and preserve its meaning.

334.21 **EFFECTIVE DATE.** This section is effective January 1, 2007.

334.22 **Sec. 66. REPEALER.**

334.23 (a) Minnesota Statutes 2005 Supplement, section 256L.035, is repealed, effective  
334.24 July 1, 2007.

334.25 (b) Minnesota Rules, part 4668.0215, is repealed, effective January 1, 2007.

334.26 **ARTICLE 21**

334.27 **HEALTH CARE FEDERAL COMPLIANCE**

334.28 **Section 1. Minnesota Statutes 2004, section 62A.045, is amended to read:**

334.29 **62A.045 PAYMENTS ON BEHALF OF ENROLLEES IN GOVERNMENT**  
334.30 **HEALTH PROGRAMS.**

334.31 (a) As a condition of doing business in Minnesota, each health insurer shall comply  
334.32 with the requirements of the federal Deficit Reduction Act of 2005, Public Law 109-171,

335.1 including any federal regulations adopted under that act, to the extent that it imposes a  
335.2 requirement that applies in this state and that is not also required by the laws of this state.  
335.3 This section does not require compliance with any provision of the federal act prior to  
335.4 the effective date provided for that provision in the federal act. The commissioner shall  
335.5 enforce this section.

335.6 For the purpose of this section, "health insurer" includes self-insured plans; group  
335.7 health plans, as defined in section 607(1) of the Employee Retirement Income Security Act  
335.8 of 1974; service benefit plans; managed care organizations; pharmacy benefit managers;  
335.9 or other parties that are by contract legally responsible to pay a claim for a healthcare item  
335.10 or service for an individual receiving benefits under paragraph (b).

335.11 (b) No health plan issued or renewed to provide coverage to a Minnesota resident  
335.12 shall contain any provision denying or reducing benefits because services are rendered to a  
335.13 person who is eligible for or receiving medical benefits pursuant to title XIX of the Social  
335.14 Security Act (Medicaid) in this or any other state; chapter 256; 256B; or 256D or services  
335.15 pursuant to section 252.27; 256L.01 to 256L.10; 260B.331, subdivision 2; 260C.331,  
335.16 subdivision 2; or 393.07, subdivision 1 or 2. No health carrier providing benefits under  
335.17 plans covered by this section shall use eligibility for medical programs named in this  
335.18 section as an underwriting guideline or reason for nonacceptance of the risk.

335.19 (c) If payment for covered expenses has been made under state medical programs  
335.20 for health care items or services provided to an individual, and a third party has a legal  
335.21 liability to make payments, the rights of payment and appeal of an adverse coverage  
335.22 decision for the individual, or in the case of a child their responsible relative or caretaker,  
335.23 will be subrogated to the state agency. The state agency may assert its rights under this  
335.24 section within three years of the date the service was rendered. For purposes of this  
335.25 section, "state agency" includes prepaid health plans under contract with the commissioner  
335.26 according to sections 256B.69, 256D.03, subdivision 4, paragraph (c), and 256L.12;  
335.27 children's mental health collaboratives under section 245.493; demonstration projects for  
335.28 persons with disabilities under section 256B.77; nursing homes under the alternative  
335.29 payment demonstration project under section 256B.434; and county-based purchasing  
335.30 entities under section 256B.692.

335.31 (d) Notwithstanding any law to the contrary, when a person covered by a health  
335.32 plan receives medical benefits according to any statute listed in this section, payment for  
335.33 covered services or notice of denial for services billed by the provider must be issued  
335.34 directly to the provider. If a person was receiving medical benefits through the Department  
335.35 of Human Services at the time a service was provided, the provider must indicate this  
335.36 benefit coverage on any claim forms submitted by the provider to the health carrier for

336.1 those services. If the commissioner of human services notifies the health carrier that  
336.2 the commissioner has made payments to the provider, payment for benefits or notices  
336.3 of denials issued by the health carrier must be issued directly to the commissioner.  
336.4 Submission by the department to the health carrier of the claim on a Department of  
336.5 Human Services claim form is proper notice and shall be considered proof of payment of  
336.6 the claim to the provider and supersedes any contract requirements of the health carrier  
336.7 relating to the form of submission. Liability to the insured for coverage is satisfied to the  
336.8 extent that payments for those benefits are made by the health carrier to the provider or the  
336.9 commissioner as required by this section.

336.10 ~~(d)~~ (e) When a state agency has acquired the rights of an individual eligible for  
336.11 medical programs named in this section and has health benefits coverage through a  
336.12 health carrier, the health carrier shall not impose requirements that are different from  
336.13 requirements applicable to an agent or assignee of any other individual covered.

336.14 ~~(e)~~ (f) For the purpose of this section, health plan includes coverage offered by  
336.15 community integrated service networks, any plan governed under the federal Employee  
336.16 Retirement Income Security Act of 1974 (ERISA), United States Code, title 29, sections  
336.17 1001 to 1461, and coverage offered under the exclusions listed in section 62A.011,  
336.18 subdivision 3, clauses (2), (6), (9), (10), and (12).

336.19 Sec. 2. Minnesota Statutes 2004, section 144.6501, subdivision 6, is amended to read:

336.20 Subd. 6. **Medical assistance payment.** (a) An admission contract for a facility that  
336.21 is certified for participation in the medical assistance program must state that neither the  
336.22 prospective resident, nor anyone on the resident's behalf, is required to pay privately any  
336.23 amount for which the resident's care at the facility has been approved for payment by  
336.24 medical assistance or to make any kind of donation, voluntary or otherwise. Except as  
336.25 permitted under federal law, an admission contract must state that the facility does not  
336.26 require as a condition of admission, either in its admission contract or by oral promise  
336.27 before signing the admission contract, that residents remain in private pay status for  
336.28 any period of time.

336.29 (b) The admission contract must state that upon presentation of proof of eligibility,  
336.30 the facility will submit a medical assistance claim for reimbursement and will return any  
336.31 and all payments made by the resident, or by any person on the resident's behalf, for  
336.32 services covered by medical assistance, upon receipt of medical assistance payment.

336.33 (c) A facility that participates in the medical assistance program shall not charge for  
336.34 the day of the resident's discharge from the facility or subsequent days.

337.1 (d) If a facility's charges incurred by the resident are delinquent for 30 days, and  
 337.2 no person has agreed to apply for medical assistance for the resident, the facility may  
 337.3 petition the court under chapter 525 to appoint a representative for the resident in order to  
 337.4 apply for medical assistance for the resident.

337.5 (e) The remedy provided in this subdivision does not preclude a facility from seeking  
 337.6 any other remedy available under other laws of this state.

337.7 Sec. 3. Minnesota Statutes 2004, section 256B.02, subdivision 9, is amended to read:

337.8 Subd. 9. **Private health care coverage.** "Private health care coverage" means any  
 337.9 plan regulated by chapter 62A, 62C or 64B. Private health care coverage also includes  
 337.10 any ~~self-insurance~~ self-insured plan providing health care benefits, pharmacy benefit  
 337.11 manager, service benefit plan, managed care organization, and other parties that are by  
 337.12 contract legally responsible for payment of a claim for a health care item or service for an  
 337.13 individual receiving medical benefits under chapter 256B, 256D, or 256L.

337.14 Sec. 4. Minnesota Statutes 2004, section 256B.056, subdivision 2, is amended to read:

337.15 Subd. 2. **Homestead; ~~exclusion and homestead equity limit~~ exclusion and homestead equity limit for institutionalized**  
 337.16 **persons.** (a) The homestead shall be excluded for the first six calendar months of a  
 337.17 person's stay in a long-term care facility and shall continue to be excluded for as long as  
 337.18 the recipient can be reasonably expected to return to the homestead. For purposes of  
 337.19 this subdivision, "reasonably expected to return to the homestead" means the recipient's  
 337.20 attending physician has certified that the expectation is reasonable, and the recipient can  
 337.21 show that the cost of care upon returning home will be met through medical assistance  
 337.22 or other sources. The homestead shall continue to be excluded for persons residing in  
 337.23 a long-term care facility if it is used as a primary residence by one of the following  
 337.24 individuals:

337.25 (a) (1) the spouse;

337.26 (b) (2) a child under age 21;

337.27 (c) (3) a child of any age who is blind or permanently and totally disabled as defined  
 337.28 in the supplemental security income program;

337.29 (d) (4) a sibling who has equity interest in the home and who resided in the home for  
 337.30 at least one year immediately before the date of the person's admission to the facility; or

337.31 (e) (5) a child of any age, or, subject to federal approval, a grandchild of any age,  
 337.32 who resided in the home for at least two years immediately before the date of the person's  
 337.33 admission to the facility, and who provided care to the person that permitted the person to  
 337.34 reside at home rather than in an institution.

338.1 (b) The equity interest in the homestead of an individual whose eligibility for  
338.2 long-term care services is determined on or after January 1, 2006, shall not exceed  
338.3 \$500,000, unless it is the lawful residence of the individual's spouse or child who is under  
338.4 age 21, blind, or disabled. The amount specified in this paragraph shall be increased  
338.5 beginning in year 2011, from year-to-year based on the percentage increase in the  
338.6 Consumer Price Index for all urban consumers (all items; United States city average),  
338.7 rounded to the nearest \$1,000. This provision may be waived in the case of demonstrated  
338.8 hardship by a process to be determined by the secretary of health and human services  
338.9 pursuant to section 6014 of the Deficit Reduction Act of 2005, Public Law 109-171.

338.10 Sec. 5. Minnesota Statutes 2004, section 256B.056, is amended by adding a  
338.11 subdivision to read:

338.12 Subd. 3e. Treatment of continuing care retirement and life care community  
338.13 entrance fees. An entrance fee paid by an individual to a continuing care retirement or  
338.14 life care community shall be treated as an available asset to the extent that:

338.15 (1) the individual has the ability to use the entrance fee, or the contract provides that  
338.16 the entrance fee may be used, to pay for care should other resources or income of the  
338.17 individual be insufficient to pay for care;

338.18 (2) the individual is eligible for a refund of any remaining entrance fees when  
338.19 the individual dies or terminates the continuing care retirement or life care community  
338.20 contract and leaves the community; and

338.21 (3) the entrance fee does not confer an ownership interest in the continuing care  
338.22 retirement or life care community.

338.23 Sec. 6. Minnesota Statutes 2004, section 256B.056, is amended by adding a  
338.24 subdivision to read:

338.25 Subd. 11. Treatment of annuities. (a) Any individual applying for or seeking  
338.26 recertification of eligibility for medical assistance payment of long-term care services  
338.27 shall provide a complete description of any interest either the individual or the individual's  
338.28 spouse has in annuities. The individual and the individual's spouse shall furnish the  
338.29 agency responsible for determining eligibility with complete current copies of their  
338.30 annuities and related documents for review as part of the application process on disclosure  
338.31 forms provided by the department as part of their application.

338.32 (b) The disclosure form shall include a statement that the department becomes the  
338.33 remainder beneficiary under the annuity or similar financial instrument by virtue of the  
338.34 receipt of medical assistance. The disclosure form shall include a notice to the issuer of

339.1 the department's right under this section as a preferred remainder beneficiary under the  
 339.2 annuity or similar financial instrument for medical assistance furnished to the individual  
 339.3 or the individual's spouse, and require the issuer to provide confirmation that a remainder  
 339.4 beneficiary designation has been made and to notify the county agency when there is a  
 339.5 change in the amount of the income or principal being withdrawn from the annuity or  
 339.6 other similar financial instrument at the time of the most recent disclosure required under  
 339.7 this section. The individual and the individual's spouse shall execute separate disclosure  
 339.8 forms for each annuity or similar financial instrument that they are required to disclose  
 339.9 under this section and in which they have an interest.

339.10 (c) An issuer of an annuity or similar financial instrument who receives notice on a  
 339.11 disclosure form as described in paragraph (b) shall provide confirmation to the requesting  
 339.12 agency that a remainder beneficiary designating the state has been made and shall notify  
 339.13 the county agency when there is a change in the amount of income or principal being  
 339.14 withdrawn from the annuity or other similar financial instrument.

339.15 Sec. 7. Minnesota Statutes 2005 Supplement, section 256B.0571, is amended to read:

339.16 **256B.0571 LONG-TERM CARE PARTNERSHIP PROGRAM.**

339.17 Subdivision 1. **Definitions.** For purposes of this section, the following terms have  
 339.18 the meanings given them.

339.19 ~~Subd. 2. Home care service. "Home care service" means care described in section~~  
 339.20 ~~144A.43.~~

339.21 Subd. 3. **Long-term care insurance.** "Long-term care insurance" means a policy  
 339.22 described in section 62S.01.

339.23 Subd. 4. **Medical assistance.** "Medical assistance" means the program of medical  
 339.24 assistance established under section 256B.01.

339.25 ~~Subd. 5. Nursing home. "Nursing home" means a nursing home as described~~  
 339.26 ~~in section 144A.01.~~

339.27 Subd. 6. **Partnership policy.** "Partnership policy" means a long-term care insurance  
 339.28 policy that meets the requirements under subdivision 10 ~~or 11, regardless of when the~~  
 339.29 ~~policy and was first issued on or after the effective date of the state plan amendment~~  
 339.30 implementing the partnership program in Minnesota.

339.31 Subd. 7. **Partnership program.** "Partnership program" means the Minnesota  
 339.32 partnership for long-term care program established under this section.

339.33 Subd. 7a. **Protected assets.** "Protected assets" means assets or proceeds of assets  
 339.34 that are protected from recovery under subdivisions 13 and 15.



340.1 Subd. 8. **Program established.** (a) The commissioner, in cooperation with the  
340.2 commissioner of commerce, shall establish the Minnesota partnership for long-term care  
340.3 program to provide for the financing of long-term care through a combination of private  
340.4 insurance and medical assistance.

340.5 (b) An individual who meets the requirements in this paragraph is eligible to  
340.6 participate in the partnership program. The individual must:

340.7 (1) be a Minnesota resident at the time coverage first became effective under the  
340.8 partnership policy;

340.9 (2) ~~purchase a partnership policy that is delivered, issued for delivery, or renewed on~~  
340.10 ~~or after the effective date of Laws 2005, First Special Session chapter 4, article 7, section~~  
340.11 ~~5, and maintain the partnership policy in effect throughout the period of participation~~  
340.12 ~~in the partnership program~~ be a beneficiary of a partnership policy that (i) is issued on  
340.13 or after the effective date of the state plan amendment implementing the partnership  
340.14 program in Minnesota, or (ii) qualifies as a partnership policy under the provisions of  
340.15 subdivision 8a; and

340.16 (3) ~~exhaust the minimum~~ have exhausted all of the benefits under the partnership  
340.17 policy as described in this section. Benefits received under a long-term care insurance  
340.18 policy before ~~the effective date of Laws 2005, First Special Session chapter 4, article 7,~~  
340.19 ~~section 5 July 1, 2006,~~ do not count toward the exhaustion of benefits required in this  
340.20 subdivision.

340.21 Subd. 8a. **Exchange for long-term care partnership policy; addition of policy**  
340.22 **rider.** (a) If federal law is amended or federal approval is granted with respect to the  
340.23 partnership program established in this section, a long-term care insurance policy that  
340.24 was issued before the effective date of the state plan amendment implementing the  
340.25 partnership program in Minnesota that was exchanged after the effective date of the state  
340.26 plan amendment for a long-term care partnership policy that meets the requirements  
340.27 of Public Law 109-171, section 6021, qualifies as a long-term care partnership policy  
340.28 under this section.

340.29 (b) If federal law is amended or federal approval is granted with respect to the  
340.30 partnership program established in this section, a long-term care insurance policy that was  
340.31 issued before the effective date of the state plan amendment implementing the partnership  
340.32 program in Minnesota that has a rider added after the effective date of the state plan  
340.33 amendment that meets the requirements of Public Law 109-171, section 6021, qualifies  
340.34 as a long-term care partnership policy under this section.

340.35 Subd. 9. **Medical assistance eligibility.** (a) Upon application ~~of~~ for medical  
340.36 assistance program payment of long-term care services by an individual who meets the

341.1 requirements described in subdivision 8, the commissioner shall determine the individual's  
341.2 eligibility for medical assistance according to paragraphs (b) ~~and (c)~~ to (i).

341.3 (b) After ~~disregarding financial~~ determining assets exempted under medical  
341.4 assistance eligibility requirements subject to the asset limit under section 256B.056,  
341.5 subdivision 3 or 3c, or 256B.057, subdivision 9 or 10, the commissioner shall ~~disregard an~~  
341.6 additional amount of financial assets equal allow the individual to designate assets to be  
341.7 protected from recovery under subdivisions 13 and 15 up to the dollar amount of coverage  
341.8 the benefits utilized under the partnership policy. Designated assets shall be disregarded  
341.9 for purposes of determining eligibility for payment of long-term care services.

341.10 (c) ~~The commissioner shall consider the individual's income according to medical~~  
341.11 ~~assistance eligibility requirements.~~ The individual shall identify the designated assets and  
341.12 the full fair market value of those assets and designate them as assets to be protected at  
341.13 the time of initial application for medical assistance. The full fair market value of real  
341.14 property or interests in real property shall be based on the most recent full assessed value  
341.15 for property tax purposes for the real property, unless the individual provides a complete  
341.16 professional appraisal by a licensed appraiser to establish the full fair market value. The  
341.17 extent of a life estate in real property shall be determined using the life estate table in the  
341.18 health care program's manual. Ownership of any asset in joint tenancy shall be treated as  
341.19 ownership as tenants in common for purposes of its designation as a disregarded asset.  
341.20 The unprotected value of any protected asset is subject to estate recovery according to  
341.21 subdivisions 13 and 15.

341.22 (d) The right to designate assets to be protected is personal to the individual and  
341.23 ends when the individual dies, except as otherwise provided in subdivisions 13 and  
341.24 15. It does not include the increase in the value of the protected asset and the income,  
341.25 dividends, or profits from the asset. It may be exercised by the individual or by anyone  
341.26 with the legal authority to do so on the individual's behalf. It shall not be sold, assigned,  
341.27 transferred, or given away.

341.28 (e) If the dollar amount of the benefits utilized under a partnership policy is greater  
341.29 than the full fair market value of all assets protected at the time of the application for  
341.30 medical assistance long-term care services, the individual may designate additional assets  
341.31 that become available during the individual's lifetime for protection under this section.  
341.32 The individual must make the designation in writing to the county agency no later than  
341.33 the last date on which the individual must report a change in circumstances to the county  
341.34 agency, as provided for under the medical assistance program. Any excess used for this  
341.35 purpose shall not be available to the individual's estate to protect assets in the estate from  
341.36 recovery under section 256B.15 or 524.3-1202, or otherwise.

342.1 (f) This section applies only to estate recovery under United States Code, title 42,  
342.2 section 1396p, subsections (a) and (b), and does not apply to recovery authorized by other  
342.3 provisions of federal law, including, but not limited to, recovery from trusts under United  
342.4 States Code, title 42, section 1396p, subsection (d)(4)(A) and (C), or to recovery from  
342.5 annuities, or similar legal instruments, subject to section 6012, subsections (a) and (b), of  
342.6 the Deficit Reduction Act of 2005, Public Law 109-171.

342.7 (g) An individual's protected assets owned by the individual's spouse who applies  
342.8 for payment of medical assistance long-term care services shall not be protected assets or  
342.9 disregarded for purposes of eligibility of the individual's spouse solely because they were  
342.10 protected assets of the individual.

342.11 (h) Assets designated under this subdivision shall not be subject to penalty under  
342.12 section 256B.0595.

342.13 (i) The commissioner shall otherwise determine the individual's eligibility  
342.14 for payment of long-term care services according to medical assistance eligibility  
342.15 requirements.

342.16 **Subd. 10. ~~Dollar-for-dollar asset protection policies~~ Long-term care partnership**  
342.17 **policy inflation protection.** ~~(a) A dollar-for-dollar asset protection policy must meet all~~  
342.18 ~~of the requirements in paragraphs (b) to (c):~~

342.19 ~~(b) The policy must satisfy the requirements of chapter 62S:~~

342.20 ~~(c) The policy must offer an elimination period of not more than 180 days for an~~  
342.21 ~~adjusted premium.~~

342.22 ~~(d) The policy must satisfy the requirements established by the commissioner of~~  
342.23 ~~human services under subdivision 14:~~

342.24 ~~(e) Minimum daily benefits shall be \$130 for nursing home care or \$65 for home~~  
342.25 ~~care, with inflation protection provided in the policy as described in section 62S.23,~~  
342.26 ~~subdivision 1, clause (1). These minimum daily benefit amounts shall be adjusted by the~~  
342.27 ~~commissioner on October 1 of each year by a percentage equal to the inflation protection~~  
342.28 ~~feature described in section 62S.23, subdivision 1, clause (1), for purposes of setting~~  
342.29 ~~minimum requirements that a policy must meet in future years in order to initially qualify~~  
342.30 ~~as an approved policy under this subdivision. Adjusted minimum daily benefit amounts~~  
342.31 ~~shall be rounded to the nearest whole dollar. A long-term care partnership policy must~~  
342.32 provide the inflation protection described in this subdivision. If the policy is sold to an  
342.33 individual who:

342.34 (1) has not attained age 61 as of the date of purchase, the policy must provide  
342.35 compound annual inflation protection;

343.1 (2) has attained age 61, but has not attained age 76 as of such date, the policy must  
 343.2 provide some level of inflation protection; and

343.3 (3) has attained age 76 as of such date, the policy may, but is not required to, provide  
 343.4 some level of inflation protection.

343.5 ~~Subd. 11. Total asset protection policies. (a) A total asset protection policy must~~  
 343.6 ~~meet all of the requirements in subdivision 10, paragraphs (b) to (d), and this subdivision.~~

343.7 ~~(b) Minimum coverage shall be for a period of not less than three years and for a~~  
 343.8 ~~dollar amount equal to 36 months of nursing home care at the minimum daily benefit rate~~  
 343.9 ~~determined and adjusted under paragraph (c).~~

343.10 ~~(c) Minimum daily benefits shall be \$150 for nursing home care or \$75 for home~~  
 343.11 ~~care, with inflation protection provided in the policy as described in section 62S.23,~~  
 343.12 ~~subdivision 1, clause (1). These minimum daily benefit amounts shall also be adjusted~~  
 343.13 ~~by the commissioner on October 1 of each year by a percentage equal to the inflation~~  
 343.14 ~~protection feature described in section 62S.23, subdivision 1, clause (1), for purposes of~~  
 343.15 ~~setting minimum requirements that a policy must meet in future years in order to initially~~  
 343.16 ~~qualify as an approved policy under this subdivision. Adjusted minimum daily benefit~~  
 343.17 ~~amounts shall be rounded to the nearest whole dollar.~~

343.18 ~~(d) The policy must cover all of the following services:~~

343.19 ~~(1) nursing home stay;~~

343.20 ~~(2) home care service; and~~

343.21 ~~(3) care management.~~

343.22 **Subd. 12. Compliance with federal law.** An issuer of a partnership policy must  
 343.23 ~~comply with any federal law authorizing partnership policies in Minnesota Public Law~~  
 343.24 ~~109-171, section 6021, including any federal regulations, as amended, adopted under that~~  
 343.25 ~~law. This subdivision does not require compliance with any provision of this federal~~  
 343.26 ~~law until the date upon which the law requires compliance with the provision. The~~  
 343.27 ~~commissioner has authority to enforce this subdivision.~~

343.28 **Subd. 13. Limitations on estate recovery.** (a) ~~For an individual who exhausts the~~  
 343.29 ~~minimum benefits of a dollar-for-dollar asset protection policy under subdivision 10, and~~  
 343.30 ~~is determined eligible for medical assistance under subdivision 9, the state shall limit~~  
 343.31 ~~recovery under the provisions of section 256B.15 against the estate of the individual~~  
 343.32 ~~or individual's spouse for medical assistance benefits received by that individual to an~~  
 343.33 ~~amount that exceeds the dollar amount of coverage utilized under the partnership policy.~~

343.34 Protected assets of the individual shall not be subject to recovery under section 256B.15  
 343.35 or 524.3-1201 for medical assistance or alternative care paid on behalf of the individual.

343.36 Protected assets of the individual in the estate of the individual's surviving spouse shall

344.1 not be liable to pay a claim for recovery of medical assistance paid for the predeceased  
344.2 individual that is filed in the estate of the surviving spouse under section 256B.15.

344.3 Protected assets of the individual shall not be protected assets in the surviving spouse's  
344.4 estate by reason of the preceding sentence and shall be subject to recovery under section  
344.5 256B.15 or 524.3-1201 for medical assistance paid on behalf of the surviving spouse.

344.6 ~~(b) For an individual who exhausts the minimum benefits of a total asset protection~~  
344.7 ~~policy under subdivision 11, and is determined eligible for medical assistance under~~  
344.8 ~~subdivision 9, the state shall not seek recovery under the provisions of section 256B.15~~  
344.9 ~~against the estate of the individual or individual's spouse for medical assistance benefits~~  
344.10 ~~received by that individual. The personal representative may protect the full fair market~~  
344.11 ~~value of an individual's unprotected assets in the individual's estate in an amount equal~~  
344.12 ~~to the unused amount of asset protection the individual had on the date of death. The~~  
344.13 ~~personal representative shall apply the asset protection so that the full fair market value of~~  
344.14 ~~any unprotected asset in the estate is protected. When or if the asset protection available~~  
344.15 ~~to the personal representative is or becomes less than the full fair market value of any~~  
344.16 ~~remaining unprotected asset, it shall be applied to partially protect one unprotected asset.~~

344.17 (c) The asset protection described in paragraph (a) terminates with respect to an asset  
344.18 includable in the individual's estate under chapter 524 or section 256B.15:

344.19 (1) when the estate distributes the asset; or

344.20 (2) if the estate of the individual has not been probated within one year from the  
344.21 date of death.

344.22 (d) If an individual owns a protected asset on the date of death and the estate is  
344.23 opened for probate more than one year after death, the state or a county agency may file  
344.24 and collect claims in the estate under section 256B.15, and no statute of limitations in  
344.25 chapter 524 that would otherwise limit or bar the claim shall apply.

344.26 (e) Except as otherwise provided, nothing in this section shall limit or prevent  
344.27 recovery of medical assistance.

344.28 ~~Subd. 14. Implementation. (a) If federal law is amended or a federal waiver is~~  
344.29 ~~granted to permit implementation of this section, the commissioner, in consultation with~~  
344.30 ~~the commissioner of commerce, may alter the requirements of subdivisions 10 and 11,~~  
344.31 ~~and may establish additional requirements for approved policies in order to conform with~~  
344.32 ~~federal law or waiver authority. In establishing these requirements, the commissioner shall~~  
344.33 ~~seek to maximize purchase of qualifying policies by Minnesota residents while controlling~~  
344.34 ~~medical assistance costs.~~

344.35 ~~(b) The commissioner is authorized to suspend implementation of this section~~  
344.36 ~~until the next session of the legislature if the commissioner, in consultation with the~~

345.1 ~~commissioner of commerce, determines that the federal legislation or federal waiver~~  
 345.2 ~~authorizing a partnership program in Minnesota is likely to impose substantial unforeseen~~  
 345.3 ~~costs on the state budget.~~

345.4 ~~(c) The commissioner must take action under paragraph (a) or (b) within 45 days of~~  
 345.5 ~~final federal action authorizing a partnership policy in Minnesota.~~

345.6 ~~(d) The commissioner must notify the appropriate legislative committees of~~  
 345.7 ~~action taken under this subdivision within 50 days of final federal action authorizing a~~  
 345.8 ~~partnership policy in Minnesota.~~

345.9 ~~(e) The commissioner must publish a notice in the State Register of implementation~~  
 345.10 ~~decisions made under this subdivision as soon as practicable. The commissioner shall~~  
 345.11 ~~submit a state plan amendment to the federal government to implement the long-term care~~  
 345.12 ~~partnership program in accordance with this section.~~

345.13 Subd. 15. Limitation on liens. (a) An individual's interest in real property shall  
 345.14 not be subject to a medical assistance lien or a notice of potential claim while and to the  
 345.15 extent it is protected under subdivision 9.

345.16 (b) Medical assistance liens or liens arising under notices of potential claims against  
 345.17 an individual's interests in real property in the individual's estate that are designated as  
 345.18 protected under subdivision 13, paragraph (b), shall be released to the extent of the dollar  
 345.19 value of the protection applied to the interest.

345.20 (c) If an interest in real property is protected from a lien for recovery of medical  
 345.21 assistance paid on behalf of the individual under paragraph (a) or (b), no lien for recovery  
 345.22 of medical assistance paid on behalf of that individual shall be filed against the protected  
 345.23 interest in real property after it is distributed to the individual's heirs or devisees.

345.24 Subd. 16. Burden of proof. Any individual or the personal representative of the  
 345.25 individual's estate who asserts that an asset is a disregarded or protected asset under  
 345.26 this section in connection with any determination of eligibility for benefits under the  
 345.27 medical assistance program or any appeal, case, controversy, or other proceedings, shall  
 345.28 have the initial burden of:

345.29 (1) documenting and proving by clear and convincing evidence that the asset or  
 345.30 source of funds for the asset in question was designated as disregarded or protected;

345.31 (2) tracing the asset and the proceeds of the asset from that time forward; and

345.32 (3) documenting that the asset or proceeds of the asset remained disregarded or  
 345.33 protected at all relevant times.

345.34 EFFECTIVE DATE. This section is effective July 1, 2006.

345.35 Sec. 8. [256B.0594] PAYMENT OF BENEFITS FROM AN ANNUITY.

346.1 When payment becomes due under an annuity that names the department a  
346.2 remainder beneficiary as described in section 256B.056, subdivision 11, the issuer shall  
346.3 pay the department an amount equal to the lesser of the amount due the department under  
346.4 the annuity or the total amount of medical assistance paid on behalf of the individual  
346.5 or the individual's spouse. The issuer shall request and the department shall provide a  
346.6 written statement of the total amount of medical assistance paid. Any amounts remaining  
346.7 after the issuer's payment to the department shall be payable according to the terms of  
346.8 the annuity or similar financial instrument.

346.9 Sec. 9. Minnesota Statutes 2004, section 256B.0595, subdivision 1, is amended to read:

346.10 Subdivision 1. **Prohibited transfers.** (a) For transfers of assets made on or before  
346.11 August 10, 1993, if a person or the person's spouse has given away, sold, or disposed of,  
346.12 for less than fair market value, any asset or interest therein, except assets other than the  
346.13 homestead that are excluded under the supplemental security program, within 30 months  
346.14 before or any time after the date of institutionalization if the person has been determined  
346.15 eligible for medical assistance, or within 30 months before or any time after the date of the  
346.16 first approved application for medical assistance if the person has not yet been determined  
346.17 eligible for medical assistance, the person is ineligible for long-term care services for the  
346.18 period of time determined under subdivision 2.

346.19 (b) Effective for transfers made after August 10, 1993, a person, a person's spouse,  
346.20 or any person, court, or administrative body with legal authority to act in place of, on  
346.21 behalf of, at the direction of, or upon the request of the person or person's spouse, may not  
346.22 give away, sell, or dispose of, for less than fair market value, any asset or interest therein,  
346.23 except assets other than the homestead that are excluded under the supplemental security  
346.24 income program, for the purpose of establishing or maintaining medical assistance  
346.25 eligibility. This applies to all transfers, including those made by a community spouse  
346.26 after the month in which the institutionalized spouse is determined eligible for medical  
346.27 assistance. For purposes of determining eligibility for long-term care services, any transfer  
346.28 of such assets within 36 months before or any time after an institutionalized person applies  
346.29 for medical assistance, or 36 months before or any time after a medical assistance recipient  
346.30 becomes institutionalized, for less than fair market value may be considered. Any such  
346.31 transfer is presumed to have been made for the purpose of establishing or maintaining  
346.32 medical assistance eligibility and the person is ineligible for long-term care services for  
346.33 the period of time determined under subdivision 2, unless the person furnishes convincing  
346.34 evidence to establish that the transaction was exclusively for another purpose, or unless  
346.35 the transfer is permitted under subdivision 3 or 4. ~~Notwithstanding the provisions of this~~

347.1 ~~paragraph,~~ In the case of payments from a trust or portions of a trust that are considered  
347.2 transfers of assets under federal law, or in the case of any other disposal of assets made on  
347.3 or after February 8, 2006, any transfers made within 60 months before or any time after an  
347.4 institutionalized person applies for medical assistance and within 60 months before or any  
347.5 time after a medical assistance recipient becomes institutionalized, may be considered.

347.6 (c) This section applies to transfers, for less than fair market value, of income  
347.7 or assets, including assets that are considered income in the month received, such as  
347.8 inheritances, court settlements, and retroactive benefit payments or income to which the  
347.9 person or the person's spouse is entitled but does not receive due to action by the person,  
347.10 the person's spouse, or any person, court, or administrative body with legal authority  
347.11 to act in place of, on behalf of, at the direction of, or upon the request of the person or  
347.12 the person's spouse.

347.13 (d) This section applies to payments for care or personal services provided by a  
347.14 relative, unless the compensation was stipulated in a notarized, written agreement which  
347.15 was in existence when the service was performed, the care or services directly benefited  
347.16 the person, and the payments made represented reasonable compensation for the care  
347.17 or services provided. A notarized written agreement is not required if payment for the  
347.18 services was made within 60 days after the service was provided.

347.19 (e) This section applies to the portion of any asset or interest that a person, a person's  
347.20 spouse, or any person, court, or administrative body with legal authority to act in place of,  
347.21 on behalf of, at the direction of, or upon the request of the person or the person's spouse,  
347.22 transfers to any annuity that exceeds the value of the benefit likely to be returned to the  
347.23 person or spouse while alive, based on estimated life expectancy using the life expectancy  
347.24 tables employed by the supplemental security income program to determine the value  
347.25 of an agreement for services for life. The commissioner may adopt rules reducing life  
347.26 expectancies based on the need for long-term care. This section applies to an annuity  
347.27 described in this paragraph purchased on or after March 1, 2002, that:

347.28 (1) is not purchased from an insurance company or financial institution that is  
347.29 subject to licensing or regulation by the Minnesota Department of Commerce or a similar  
347.30 regulatory agency of another state;

347.31 (2) does not pay out principal and interest in equal monthly installments; or

347.32 (3) does not begin payment at the earliest possible date after annuitization.

347.33 (f) Effective for transactions, including the purchase of an annuity, occurring on or  
347.34 after February 8, 2006, the purchase of an annuity by or on behalf of an individual who  
347.35 has applied for long-term care services shall be treated as the disposal of an asset for  
347.36 less than fair market value unless:



348.1 (1) the department is named as the remainder beneficiary in first position for an  
348.2 amount equal to at least the total amount of medical assistance paid on behalf of the  
348.3 individual or the individual's spouse; or the department is named as the remainder  
348.4 beneficiary in second position for an amount equal to at least the total amount of medical  
348.5 assistance paid on behalf of the individual or the individual's spouse after the individual's  
348.6 community spouse or minor or disabled child and is named as the remainder beneficiary in  
348.7 the first position if the community spouse or a representative of the minor or disabled child  
348.8 disposes of the remainder for less than fair market value. Any subsequent change to the  
348.9 designation of the department as a remainder beneficiary shall result in the annuity being  
348.10 treated as a disposal of assets for less than fair market value. The amount of such transfer  
348.11 shall be the maximum amount the individual or the individual's spouse could receive from  
348.12 the annuity or similar financial instrument. Any change in the amount of the income or  
348.13 principal being withdrawn from the annuity or other similar financial instrument at the  
348.14 time of the most recent disclosure shall be deemed to be a transfer of assets for less than  
348.15 fair market value unless the individual or the individual's spouse demonstrates that the  
348.16 transaction was for fair market value; or

348.17 (2) the annuity is:

348.18 (i) an annuity described in subsection (b) or (q) of section 408 of the Internal  
348.19 Revenue Code of 1986; or

348.20 (ii) purchased with proceeds from:

348.21 (A) an account or trust described in subsection (a), (c), or (p) of section 408 of the  
348.22 Internal Revenue Code;

348.23 (B) a simplified employee pension within the meaning of section 408(k) of the  
348.24 Internal Revenue Code; or

348.25 (C) a Roth IRA described in section 408A of the Internal Revenue Code; or

348.26 (iii) an annuity that is irrevocable and nonassignable; is actuarially sound as  
348.27 determined in accordance with actuarial publications of the Office of the Chief Actuary of  
348.28 the Social Security Administration; and provides for payments in equal amounts during  
348.29 the term of the annuity, with no deferral and no balloon payments made.

348.30 (f)(g) For purposes of this section, long-term care services include services in a  
348.31 nursing facility, services that are eligible for payment according to section 256B.0625,  
348.32 subdivision 2, because they are provided in a swing bed, intermediate care facility for  
348.33 persons with mental retardation, and home and community-based services provided  
348.34 pursuant to sections 256B.0915, 256B.092, and 256B.49. For purposes of this subdivision  
348.35 and subdivisions 2, 3, and 4, "institutionalized person" includes a person who is an  
348.36 inpatient in a nursing facility or in a swing bed, or intermediate care facility for persons

349.1 with mental retardation or who is receiving home and community-based services under  
 349.2 sections 256B.0915, 256B.092, and 256B.49.

349.3 (h) This section applies to funds used to purchase a promissory note, loan, or  
 349.4 mortgage unless such note, loan, or mortgage:

349.5 (1) has a repayment term that is actuarially sound;

349.6 (2) provides for payments to be made in equal amounts during the term of the loan,  
 349.7 with no deferral and no balloon payments made; and

349.8 (3) prohibits the cancellation of the balance upon the death of the lender.

349.9 In the case of a promissory note, loan, or mortgage that does not meet an exception  
 349.10 in paragraph (a), the value of such note, loan, or mortgage shall be the outstanding balance  
 349.11 due as of the date of the individual's application for long-term care services.

349.12 (i) This section applies to the purchase of a life estate interest in another individual's  
 349.13 home unless the purchaser resides in the home for a period of at least one year after the  
 349.14 date of purchase.

349.15 Sec. 10. Minnesota Statutes 2005 Supplement, section 256B.0595, subdivision 2,  
 349.16 is amended to read:

349.17 **Subd. 2. Period of ineligibility.** (a) For any uncompensated transfer occurring on or  
 349.18 before August 10, 1993, the number of months of ineligibility for long-term care services  
 349.19 shall be the lesser of 30 months, or the uncompensated transfer amount divided by the  
 349.20 average medical assistance rate for nursing facility services in the state in effect on the  
 349.21 date of application. The amount used to calculate the average medical assistance payment  
 349.22 rate shall be adjusted each July 1 to reflect payment rates for the previous calendar year.  
 349.23 The period of ineligibility begins with the month in which the assets were transferred.  
 349.24 If the transfer was not reported to the local agency at the time of application, and the  
 349.25 applicant received long-term care services during what would have been the period of  
 349.26 ineligibility if the transfer had been reported, a cause of action exists against the transferee  
 349.27 for the cost of long-term care services provided during the period of ineligibility, or for the  
 349.28 uncompensated amount of the transfer, whichever is less. The action may be brought by  
 349.29 the state or the local agency responsible for providing medical assistance under chapter  
 349.30 256G. The uncompensated transfer amount is the fair market value of the asset at the time  
 349.31 it was given away, sold, or disposed of, less the amount of compensation received.

349.32 (b) For uncompensated transfers made after August 10, 1993, the number of months  
 349.33 of ineligibility for long-term care services shall be the total uncompensated value of the  
 349.34 resources transferred divided by the average medical assistance rate for nursing facility  
 349.35 services in the state in effect on the date of application. The amount used to calculate the

350.1 average medical assistance payment rate shall be adjusted each July 1 to reflect payment  
350.2 rates for the previous calendar year. The period of ineligibility begins with the first day  
350.3 of the month after the month in which the assets were transferred except that if one or  
350.4 more uncompensated transfers are made during a period of ineligibility, the total assets  
350.5 transferred during the ineligibility period shall be combined and a penalty period calculated  
350.6 to begin on the first day of the month after the month in which the first uncompensated  
350.7 transfer was made. If the transfer was reported to the local agency after the date that  
350.8 advance notice of a period of ineligibility that affects the next month could be provided to  
350.9 the recipient and the recipient received medical assistance services or the transfer was not  
350.10 reported to the local agency, and the applicant or recipient received medical assistance  
350.11 services during what would have been the period of ineligibility if the transfer had been  
350.12 reported, a cause of action exists against the transferee for the cost of medical assistance  
350.13 services provided during the period of ineligibility, or for the uncompensated amount of  
350.14 the transfer, whichever is less. The action may be brought by the state or the local agency  
350.15 responsible for providing medical assistance under chapter 256G. The uncompensated  
350.16 transfer amount is the fair market value of the asset at the time it was given away, sold, or  
350.17 disposed of, less the amount of compensation received. Effective for transfers made on or  
350.18 after March 1, 1996, involving persons who apply for medical assistance on or after April  
350.19 13, 1996, no cause of action exists for a transfer unless:

350.20 (1) the transferee knew or should have known that the transfer was being made by a  
350.21 person who was a resident of a long-term care facility or was receiving that level of care in  
350.22 the community at the time of the transfer;

350.23 (2) the transferee knew or should have known that the transfer was being made to  
350.24 assist the person to qualify for or retain medical assistance eligibility; or

350.25 (3) the transferee actively solicited the transfer with intent to assist the person to  
350.26 qualify for or retain eligibility for medical assistance.

350.27 (c) For uncompensated transfers made on or after February 8, 2006, the period of  
350.28 ineligibility begins on the first day of the month in which advance notice can be given  
350.29 following the month in which assets have been transferred for less than fair market value,  
350.30 or the date on which the individual is eligible for medical assistance under the Medicaid  
350.31 state plan and would otherwise be receiving long-term care services based on an approved  
350.32 application for such care but for the application of the penalty period, whichever is later,  
350.33 and which does not occur during any other period of ineligibility.

350.34 (d) If a calculation of a penalty period results in a partial month, payments for  
350.35 long-term care services shall be reduced in an amount equal to the fraction, ~~except that in~~  
350.36 ~~calculating the value of uncompensated transfers, if the total value of all uncompensated~~

351.1 ~~transfers made in a month not included in an existing penalty period does not exceed \$200,~~  
 351.2 ~~then such transfers shall be disregarded for each month prior to the month of application~~  
 351.3 ~~for or during receipt of medical assistance.~~

351.4 (e) In the case of multiple fractional transfers of assets in more than one month for  
 351.5 less than fair market value on or after February 8, 2006, the period of ineligibility is  
 351.6 calculated by treating the total, cumulative uncompensated value of all assets transferred  
 351.7 during all months on or after February 8, 2006, as one transfer.

351.8 Sec. 11. Minnesota Statutes 2004, section 256B.0595, subdivision 3, is amended to  
 351.9 read:

351.10 Subd. 3. **Homestead exception to transfer prohibition.** (a) An institutionalized  
 351.11 person is not ineligible for long-term care services due to a transfer of assets for less than  
 351.12 fair market value if the asset transferred was a homestead and:

351.13 (1) title to the homestead was transferred to the individual's:

351.14 (i) spouse;

351.15 (ii) child who is under age 21;

351.16 (iii) blind or permanently and totally disabled child as defined in the supplemental  
 351.17 security income program;

351.18 (iv) sibling who has equity interest in the home and who was residing in the home  
 351.19 for a period of at least one year immediately before the date of the individual's admission  
 351.20 to the facility; or

351.21 (v) son or daughter who was residing in the individual's home for a period of at least  
 351.22 two years immediately before the date of the individual's admission to the facility, and who  
 351.23 provided care to the individual that, as certified by the individual's attending physician,  
 351.24 permitted the individual to reside at home rather than in an institution or facility;

351.25 (2) a satisfactory showing is made that the individual intended to dispose of the  
 351.26 homestead at fair market value or for other valuable consideration; or

351.27 (3) the local agency grants a waiver of a penalty resulting from a transfer for less  
 351.28 than fair market value because denial of eligibility would cause undue hardship for the  
 351.29 individual, based on imminent threat to the individual's health and well-being. Whenever  
 351.30 an applicant or recipient is denied eligibility because of a transfer for less than fair market  
 351.31 value, the local agency shall notify the applicant or recipient that the applicant or recipient  
 351.32 may request a waiver of the penalty if the denial of eligibility will cause undue hardship.

351.33 With the written consent of the individual or the personal representative of the individual,  
 351.34 a long-term care facility in which an individual is residing may file an undue hardship  
 351.35 waiver request, on behalf of the individual who is denied eligibility for long-term care

352.1 services on or after July 1, 2006, due to a period of ineligibility resulting from a transfer  
 352.2 on or after February 8, 2006. In evaluating a waiver, the local agency shall take into  
 352.3 account whether the individual was the victim of financial exploitation, whether the  
 352.4 individual has made reasonable efforts to recover the transferred property or resource,  
 352.5 whether the individual has taken any action to prevent the designation of the department  
 352.6 as a remainder beneficiary on an annuity as described in section 256B.056, subdivision  
 352.7 11, and other factors relevant to a determination of hardship. If the local agency does not  
 352.8 approve a hardship waiver, the local agency shall issue a written notice to the individual  
 352.9 stating the reasons for the denial and the process for appealing the local agency's decision.

352.10 (b) When a waiver is granted under paragraph (a), clause (3), a cause of action exists  
 352.11 against the person to whom the homestead was transferred for that portion of long-term  
 352.12 care services granted within:

352.13 (1) 30 months of a transfer made on or before August 10, 1993;

352.14 (2) 60 months if the homestead was transferred after August 10, 1993, to a trust or  
 352.15 portion of a trust that is considered a transfer of assets under federal law; or

352.16 (3) 36 months if transferred in any other manner after August 10, 1993, but prior  
 352.17 to February 8, 2006; or

352.18 (4) 60 months if the homestead was transferred on or after February 8, 2006,

352.19 or the amount of the uncompensated transfer, whichever is less, together with the  
 352.20 costs incurred due to the action. The action shall be brought by the state unless the  
 352.21 state delegates this responsibility to the local agency responsible for providing medical  
 352.22 assistance under chapter 256G.

352.23 Sec. 12. Minnesota Statutes 2004, section 256B.0595, subdivision 4, is amended to  
 352.24 read:

352.25 Subd. 4. **Other exceptions to transfer prohibition.** An institutionalized person  
 352.26 who has made, or whose spouse has made a transfer prohibited by subdivision 1, is not  
 352.27 ineligible for long-term care services if one of the following conditions applies:

352.28 (1) the assets were transferred to the individual's spouse or to another for the sole  
 352.29 benefit of the spouse; or

352.30 (2) the institutionalized spouse, prior to being institutionalized, transferred assets  
 352.31 to a spouse, provided that the spouse to whom the assets were transferred does not then  
 352.32 transfer those assets to another person for less than fair market value. (At the time when  
 352.33 one spouse is institutionalized, assets must be allocated between the spouses as provided  
 352.34 under section 256B.059); or

353.1 (3) the assets were transferred to the individual's child who is blind or permanently  
 353.2 and totally disabled as determined in the supplemental security income program; or

353.3 (4) a satisfactory showing is made that the individual intended to dispose of the  
 353.4 assets either at fair market value or for other valuable consideration; or

353.5 (5) the local agency determines that denial of eligibility for long-term care services  
 353.6 would work an undue hardship and grants a waiver of a penalty resulting from a transfer  
 353.7 for less than fair market value based on an imminent threat to the individual's health  
 353.8 and well-being. Whenever an applicant or recipient is denied eligibility because of a  
 353.9 transfer for less than fair market value, the local agency shall notify the applicant or  
 353.10 recipient that the applicant or recipient may request a waiver of the penalty if the denial of  
 353.11 eligibility will cause undue hardship. With the written consent of the individual or the  
 353.12 personal representative of the individual, a long-term care facility in which an individual  
 353.13 is residing may file an undue hardship waiver request, on behalf of the individual who is  
 353.14 denied eligibility for long-term care services on or after July 1, 2006, due to a period of  
 353.15 ineligibility resulting from a transfer on or after February 8, 2006. In evaluating a waiver,  
 353.16 the local agency shall take into account whether the individual was the victim of financial  
 353.17 exploitation, whether the individual has made reasonable efforts to recover the transferred  
 353.18 property or resource, and other factors relevant to a determination of hardship. If the local  
 353.19 agency does not approve a hardship waiver, the local agency shall issue a written notice to  
 353.20 the individual stating the reasons for the denial and the process for appealing the local  
 353.21 agency's decision. When a waiver is granted, a cause of action exists against the person to  
 353.22 whom the assets were transferred for that portion of long-term care services granted within:

353.23 (i) 30 months of a transfer made on or before August 10, 1993;

353.24 (ii) 60 months of a transfer if the assets were transferred after August 30, 1993, to a  
 353.25 trust or portion of a trust that is considered a transfer of assets under federal law; or

353.26 (iii) 36 months of a transfer if transferred in any other manner after August 10, 1993,  
 353.27 but prior to February 8, 2006; or

353.28 (iv) 60 months of any transfer made on or after February 8, 2006,

353.29 or the amount of the uncompensated transfer, whichever is less, together with the  
 353.30 costs incurred due to the action. The action shall be brought by the state unless the  
 353.31 state delegates this responsibility to the local agency responsible for providing medical  
 353.32 assistance under this chapter; or

353.33 (6) for transfers occurring after August 10, 1993, the assets were transferred by  
 353.34 the person or person's spouse: (i) into a trust established for the sole benefit of a son or  
 353.35 daughter of any age who is blind or disabled as defined by the Supplemental Security  
 353.36 Income program; or (ii) into a trust established for the sole benefit of an individual who is

354.1 under 65 years of age who is disabled as defined by the Supplemental Security Income  
354.2 program.

354.3 "For the sole benefit of" has the meaning found in section 256B.059, subdivision 1.

354.4 Sec. 13. Minnesota Statutes 2005 Supplement, section 256B.06, subdivision 4, is  
354.5 amended to read:

354.6 Subd. 4. **Citizenship requirements.** (a) Eligibility for medical assistance is limited  
354.7 to citizens of the United States, qualified noncitizens as defined in this subdivision, and  
354.8 other persons residing lawfully in the United States. Citizens or nationals of the United  
354.9 States must cooperate in obtaining satisfactory documentary evidence of citizenship or  
354.10 nationality as required by the federal Deficit Reduction Act of 2005, Public Law 109-171.

354.11 (b) "Qualified noncitizen" means a person who meets one of the following  
354.12 immigration criteria:

354.13 (1) admitted for lawful permanent residence according to United States Code, title 8;

354.14 (2) admitted to the United States as a refugee according to United States Code,  
354.15 title 8, section 1157;

354.16 (3) granted asylum according to United States Code, title 8, section 1158;

354.17 (4) granted withholding of deportation according to United States Code, title 8,  
354.18 section 1253(h);

354.19 (5) paroled for a period of at least one year according to United States Code, title 8,  
354.20 section 1182(d)(5);

354.21 (6) granted conditional entrant status according to United States Code, title 8,  
354.22 section 1153(a)(7);

354.23 (7) determined to be a battered noncitizen by the United States Attorney General  
354.24 according to the Illegal Immigration Reform and Immigrant Responsibility Act of 1996,  
354.25 title V of the Omnibus Consolidated Appropriations Bill, Public Law 104-200;

354.26 (8) is a child of a noncitizen determined to be a battered noncitizen by the United  
354.27 States Attorney General according to the Illegal Immigration Reform and Immigrant  
354.28 Responsibility Act of 1996, title V, of the Omnibus Consolidated Appropriations Bill,  
354.29 Public Law 104-200; or

354.30 (9) determined to be a Cuban or Haitian entrant as defined in section 501(e) of Public  
354.31 Law 96-422, the Refugee Education Assistance Act of 1980.

354.32 (c) All qualified noncitizens who were residing in the United States before August  
354.33 22, 1996, who otherwise meet the eligibility requirements of this chapter, are eligible for  
354.34 medical assistance with federal financial participation.

355.1 (d) All qualified noncitizens who entered the United States on or after August 22,  
355.2 1996, and who otherwise meet the eligibility requirements of this chapter, are eligible for  
355.3 medical assistance with federal financial participation through November 30, 1996.

355.4 Beginning December 1, 1996, qualified noncitizens who entered the United States  
355.5 on or after August 22, 1996, and who otherwise meet the eligibility requirements of this  
355.6 chapter are eligible for medical assistance with federal participation for five years if they  
355.7 meet one of the following criteria:

355.8 (i) refugees admitted to the United States according to United States Code, title 8,  
355.9 section 1157;

355.10 (ii) persons granted asylum according to United States Code, title 8, section 1158;

355.11 (iii) persons granted withholding of deportation according to United States Code,  
355.12 title 8, section 1253(h);

355.13 (iv) veterans of the United States armed forces with an honorable discharge for  
355.14 a reason other than noncitizen status, their spouses and unmarried minor dependent  
355.15 children; or

355.16 (v) persons on active duty in the United States armed forces, other than for training,  
355.17 their spouses and unmarried minor dependent children.

355.18 Beginning December 1, 1996, qualified noncitizens who do not meet one of the  
355.19 criteria in items (i) to (v) are eligible for medical assistance without federal financial  
355.20 participation as described in paragraph (j).

355.21 (e) Noncitizens who are not qualified noncitizens as defined in paragraph (b),  
355.22 who are lawfully residing in the United States and who otherwise meet the eligibility  
355.23 requirements of this chapter, are eligible for medical assistance under clauses (1) to (3).  
355.24 These individuals must cooperate with the Immigration and Naturalization Service to  
355.25 pursue any applicable immigration status, including citizenship, that would qualify them  
355.26 for medical assistance with federal financial participation.

355.27 (1) Persons who were medical assistance recipients on August 22, 1996, are eligible  
355.28 for medical assistance with federal financial participation through December 31, 1996.

355.29 (2) Beginning January 1, 1997, persons described in clause (1) are eligible for  
355.30 medical assistance without federal financial participation as described in paragraph (j).

355.31 (3) Beginning December 1, 1996, persons residing in the United States prior to  
355.32 August 22, 1996, who were not receiving medical assistance and persons who arrived on  
355.33 or after August 22, 1996, are eligible for medical assistance without federal financial  
355.34 participation as described in paragraph (j).

355.35 (f) Nonimmigrants who otherwise meet the eligibility requirements of this chapter  
355.36 are eligible for the benefits as provided in paragraphs (g) to (i). For purposes of this



356.1 subdivision, a "nonimmigrant" is a person in one of the classes listed in United States  
356.2 Code, title 8, section 1101(a)(15).

356.3 (g) Payment shall also be made for care and services that are furnished to noncitizens,  
356.4 regardless of immigration status, who otherwise meet the eligibility requirements of  
356.5 this chapter, if such care and services are necessary for the treatment of an emergency  
356.6 medical condition, except for organ transplants and related care and services and routine  
356.7 prenatal care.

356.8 (h) For purposes of this subdivision, the term "emergency medical condition" means  
356.9 a medical condition that meets the requirements of United States Code, title 42, section  
356.10 1396b(v).

356.11 (i) Pregnant noncitizens who are undocumented, nonimmigrants, or eligible for  
356.12 medical assistance as described in paragraph (j), and who are not covered by a group  
356.13 health plan or health insurance coverage according to Code of Federal Regulations, title  
356.14 42, section 457.310, and who otherwise meet the eligibility requirements of this chapter,  
356.15 are eligible for medical assistance through the period of pregnancy, including labor and  
356.16 delivery, to the extent federal funds are available under title XXI of the Social Security  
356.17 Act, and the state children's health insurance program, followed by 60 days postpartum  
356.18 without federal financial participation.

356.19 (j) Qualified noncitizens as described in paragraph (d), and all other noncitizens  
356.20 lawfully residing in the United States as described in paragraph (e), who are ineligible  
356.21 for medical assistance with federal financial participation and who otherwise meet the  
356.22 eligibility requirements of chapter 256B and of this paragraph, are eligible for medical  
356.23 assistance without federal financial participation. Qualified noncitizens as described  
356.24 in paragraph (d) are only eligible for medical assistance without federal financial  
356.25 participation for five years from their date of entry into the United States.

356.26 (k) Beginning October 1, 2003, persons who are receiving care and rehabilitation  
356.27 services from a nonprofit center established to serve victims of torture and are otherwise  
356.28 ineligible for medical assistance under this chapter are eligible for medical assistance  
356.29 without federal financial participation. These individuals are eligible only for the period  
356.30 during which they are receiving services from the center. Individuals eligible under this  
356.31 paragraph shall not be required to participate in prepaid medical assistance.

356.32 **EFFECTIVE DATE.** This section is effective July 1, 2006.

356.33 Sec. 14. Minnesota Statutes 2005 Supplement, section 256B.0625, subdivision 1a,  
356.34 is amended to read:

357.1 Subd. 1a. **Services provided in a hospital emergency room.** Medical assistance  
 357.2 ~~does not cover visits to a hospital emergency room that are not for emergency and~~  
 357.3 ~~emergency poststabilization care or urgent care, and does not pay for any services provided~~  
 357.4 ~~in a hospital emergency room that are not for emergency and emergency poststabilization~~  
 357.5 ~~care or urgent care~~ payment of a nonemergency emergency room facility component shall  
 357.6 be reduced to the payment level of the appropriate outpatient clinic facility component.

357.7 Sec. 15. **REPEALER.**

357.8 Minnesota Statutes 2005 Supplement, section 256B.0571, subdivisions 2, 5, and  
 357.9 11, are repealed.

357.10 **ARTICLE 22**

357.11 **QUALIFIED LONG-TERM CARE INSURANCE REGULATORY CHANGES**

357.12 Section 1. Minnesota Statutes 2004, section 62S.05, is amended by adding a  
 357.13 subdivision to read:

357.14 Subd. 4. **Extension of limitation periods.** The commissioner may extend the  
 357.15 limitation periods set forth in subdivisions 1 and 2 as to specific age group categories in  
 357.16 specific policy forms upon finding that the extension is in the best interest of the public.

357.17 Sec. 2. Minnesota Statutes 2004, section 62S.08, subdivision 3, is amended to read:

357.18 Subd. 3. **Mandatory format.** The following standard format outline of coverage  
 357.19 must be used, unless otherwise specifically indicated:

7.20 COMPANY NAME  
 357.21 ADDRESS - CITY AND STATE  
 357.22 TELEPHONE NUMBER  
 357.23 LONG-TERM CARE INSURANCE  
 357.24 OUTLINE OF COVERAGE

357.25 Policy Number or Group Master Policy and Certificate Number

357.26 (Except for policies or certificates which are guaranteed issue, the following caution  
 357.27 statement, or language substantially similar, must appear as follows in the outline of  
 357.28 coverage.)

357.29 CAUTION: The issuance of this long-term care insurance (policy) (certificate)  
 357.30 is based upon your responses to the questions on your application. A copy of your  
 357.31 (application) (enrollment form) (is enclosed) (was retained by you when you applied).

357.32 If your answers are incorrect or untrue, the company has the right to deny benefits or  
 357.33 rescind your policy. The best time to clear up any questions is now, before a claim

358.1 arises. If, for any reason, any of your answers are incorrect, contact the company at this  
358.2 address: (insert address).

358.3 (1) This policy is (an individual policy of insurance) (a group policy) which was  
358.4 issued in the (indicate jurisdiction in which group policy was issued).

358.5 (2) PURPOSE OF OUTLINE OF COVERAGE. This outline of coverage provides  
358.6 a very brief description of the important features of the policy. You should compare  
358.7 this outline of coverage to outlines of coverage for other policies available to you. This  
358.8 is not an insurance contract, but only a summary of coverage. Only the individual or  
358.9 group policy contains governing contractual provisions. This means that the policy or  
358.10 group policy sets forth in detail the rights and obligations of both you and the insurance  
358.11 company. Therefore, if you purchase this coverage, or any other coverage, it is important  
358.12 that you READ YOUR POLICY (OR CERTIFICATE) CAREFULLY.

358.13 (3) THIS PLAN IS INTENDED TO BE A QUALIFIED LONG-TERM CARE  
358.14 INSURANCE CONTRACT AS DEFINED UNDER SECTION 7702(B)(b) OF THE  
358.15 INTERNAL REVENUE CODE OF 1986.

358.16 (4) TERMS UNDER WHICH THE POLICY OR CERTIFICATE MAY BE  
358.17 CONTINUED IN FORCE OR DISCONTINUED.

358.18 (a) (For long-term care health insurance policies or certificates describe one of the  
358.19 following permissible policy renewability provisions:

358.20 (1) Policies and certificates that are guaranteed renewable shall contain the following  
358.21 statement:) RENEWABILITY: THIS POLICY (CERTIFICATE) IS GUARANTEED  
358.22 RENEWABLE. This means you have the right, subject to the terms of your policy,  
358.23 (certificate) to continue this policy as long as you pay your premiums on time. (Company  
358.24 name) cannot change any of the terms of your policy on its own, except that, in the future,  
358.25 IT MAY INCREASE THE PREMIUM YOU PAY.

358.26 (2) (Policies and certificates that are noncancelable shall contain the following  
358.27 statement:) RENEWABILITY: THIS POLICY (CERTIFICATE) IS NONCANCELABLE.  
358.28 This means that you have the right, subject to the terms of your policy, to continue this  
358.29 policy as long as you pay your premiums on time. (Company name) cannot change any  
358.30 of the terms of your policy on its own and cannot change the premium you currently  
358.31 pay. However, if your policy contains an inflation protection feature where you choose  
358.32 to increase your benefits, (company name) may increase your premium at that time for  
358.33 those additional benefits.

358.34 (b) (For group coverage, specifically describe continuation/conversion provisions  
358.35 applicable to the certificate and group policy.)

359.1 (c) (Describe waiver of premium provisions or state that there are not such  
 359.2 provisions.)

359.3 (5) TERMS UNDER WHICH THE COMPANY MAY CHANGE PREMIUMS.

359.4 (In bold type larger than the maximum type required to be used for the other  
 359.5 provisions of the outline of coverage, state whether or not the company has a right to  
 359.6 change the premium and, if a right exists, describe clearly and concisely each circumstance  
 359.7 under which the premium may change.)

359.8 (6) TERMS UNDER WHICH THE POLICY OR CERTIFICATE MAY BE  
 359.9 RETURNED AND PREMIUM REFUNDED.

359.10 (a) (Provide a brief description of the right to return – "free look" provision of  
 359.11 the policy.)

359.12 (b) (Include a statement that the policy either does or does not contain provisions  
 359.13 providing for a refund or partial refund of premium upon the death of an insured or  
 359.14 surrender of the policy or certificate. If the policy contains such provisions, include a  
 359.15 description of them.)

359.16 ~~(5)~~ (7) THIS IS NOT MEDICARE SUPPLEMENT COVERAGE. If you are  
 359.17 eligible for Medicare, review the Medicare Supplement Buyer's Guide available from  
 359.18 the insurance company.

359.19 (a) (For agents) neither (insert company name) nor its agents represent Medicare, the  
 359.20 federal government, or any state government.

359.21 (b) (For direct response) (insert company name) is not representing Medicare, the  
 359.22 federal government, or any state government.

359.23 ~~(6)~~ (8) LONG-TERM CARE COVERAGE. Policies of this category are designed to  
 359.24 provide coverage for one or more necessary or medically necessary diagnostic, preventive,  
 359.25 therapeutic, rehabilitative, maintenance, or personal care services, provided in a setting  
 359.26 other than an acute care unit of a hospital, such as in a nursing home, in the community,  
 359.27 or in the home.

359.28 This policy provides coverage in the form of a fixed dollar indemnity benefit for  
 359.29 covered long-term care expenses, subject to policy (limitations), (waiting periods), and  
 359.30 (coinsurance) requirements. (Modify this paragraph if the policy is not an indemnity  
 359.31 policy.)

359.32 ~~(7)~~ (9) BENEFITS PROVIDED BY THIS POLICY.

359.33 (a) (Covered services, related deductible(s), waiting periods, elimination periods,  
 359.34 and benefit maximums.)

359.35 (b) (Institutional benefits, by skill level.)

359.36 (c) (Noninstitutional benefits, by skill level.)

360.1 (d) (Eligibility for payment of benefits.)

360.2 (Activities of daily living and cognitive impairment shall be used to measure an  
 360.3 insured's need for long-term care and must be defined and described as part of the outline  
 360.4 of coverage.)

360.5 (Any benefit screens must be explained in this section. If these screens differ for  
 360.6 different benefits, explanation of the screen should accompany each benefit description. If  
 360.7 an attending physician or other specified person must certify a certain level of functional  
 360.8 dependency in order to be eligible for benefits, this too must be specified. If activities of  
 360.9 daily living (ADLs) are used to measure an insured's need for long-term care, then these  
 360.10 qualifying criteria or screens must be explained.)

360.11 ~~(8)~~ (10) LIMITATIONS AND EXCLUSIONS:

360.12 Describe:

360.13 (a) preexisting conditions;

360.14 (b) noneligible facilities/provider;

360.15 (c) noneligible levels of care (e.g., unlicensed providers, care or treatment provided  
 360.16 by a family member, etc.);

360.17 (d) exclusions/exceptions; and

360.18 (e) limitations.

360.19 (This section should provide a brief specific description of any policy provisions  
 360.20 which limit, exclude, restrict, reduce, delay, or in any other manner operate to qualify  
 360.21 payment of the benefits described in paragraph ~~(6)~~ (8).)

360.22 THIS POLICY MAY NOT COVER ALL THE EXPENSES ASSOCIATED WITH  
 360.23 YOUR LONG-TERM CARE NEEDS.

360.24 ~~(9)~~ (11) RELATIONSHIP OF COST OF CARE AND BENEFITS. Because the costs  
 360.25 of long-term care services will likely increase over time, you should consider whether and  
 360.26 how the benefits of this plan may be adjusted. As applicable, indicate the following:

360.27 (a) that the benefit level will not increase over time;

360.28 (b) any automatic benefit adjustment provisions;

360.29 (c) whether the insured will be guaranteed the option to buy additional benefits and  
 360.30 the basis upon which benefits will be increased over time if not by a specified amount  
 360.31 or percentage;

360.32 (d) if there is such a guarantee, include whether additional underwriting or health  
 360.33 screening will be required, the frequency and amounts of the upgrade options, and any  
 360.34 significant restrictions or limitations; and

360.35 (e) whether there will be any additional premium charge imposed and how that  
 360.36 is to be calculated.

361.1 ~~(10)~~ (12) ALZHEIMER'S DISEASE AND OTHER ORGANIC BRAIN  
 361.2 DISORDERS. (State that the policy provides coverage for insureds clinically diagnosed as  
 361.3 having Alzheimer's disease or related degenerative and dementing illnesses. Specifically,  
 361.4 describe each benefit screen or other policy provision which provides preconditions to the  
 361.5 availability of policy benefits for such an insured.)

361.6 ~~(11)~~ (13) PREMIUM.

361.7 (a) State the total annual premium for the policy.

361.8 (b) If the premium varies with an applicant's choice among benefit options, indicate  
 361.9 the portion of annual premium which corresponds to each benefit option.

361.10 ~~(12)~~ (14) ADDITIONAL FEATURES.

361.11 (a) Indicate if medical underwriting is used.

361.12 (b) Describe other important features.

361.13 (15) CONTACT THE STATE DEPARTMENT OF COMMERCE OR SENIOR  
 361.14 LINKAGE LINE IF YOU HAVE GENERAL QUESTIONS REGARDING LONG-TERM  
 361.15 CARE INSURANCE. CONTACT THE INSURANCE COMPANY IF YOU HAVE  
 361.16 SPECIFIC QUESTIONS REGARDING YOUR LONG-TERM CARE INSURANCE  
 361.17 POLICY OR CERTIFICATE.

361.18 Sec. 3. Minnesota Statutes 2004, section 62S.081, subdivision 4, is amended to read:

361.19 Subd. 4. **Forms.** An insurer shall use the forms in Appendices B (Personal  
 361.20 Worksheet) and F (Potential Rate Increase Disclosure Form) of the Long-term Care  
 361.21 Insurance Model Regulation adopted by the National Association of Insurance  
 361.22 Commissioners to comply with the requirements of subdivisions 1 and 2.

361.23 Sec. 4. Minnesota Statutes 2004, section 62S.10, subdivision 2, is amended to read:

361.24 Subd. 2. **Contents.** The summary must include the following information:

361.25 (1) an explanation of how the long-term care benefit interacts with other components  
 361.26 of the policy, including deductions from death benefits;

361.27 (2) an illustration of the amount of benefits, the length of benefits, and the guaranteed  
 361.28 lifetime benefits, if any, for each covered person; ~~and~~

361.29 (3) any exclusions, reductions, and limitations on benefits of long-term care; and

361.30 (4) a statement that any long-term care inflation protection option required by section  
 361.31 62S.23 is not available under this policy.

361.32 Sec. 5. Minnesota Statutes 2004, section 62S.13, is amended by adding a subdivision  
 361.33 to read:

362.1 Subd. 6. Death of insured. In the event of the death of the insured, this section shall  
 362.2 not apply to the remaining death benefit of a life insurance policy that accelerates benefits  
 362.3 for long-term care. In this situation, the remaining death benefits under these policies shall  
 362.4 be governed by section 61A.03, subdivision 1, paragraph (c). In all other situations, this  
 362.5 section shall apply to life insurance policies that accelerate benefits for long-term care.

362.6 Sec. 6. Minnesota Statutes 2004, section 62S.14, subdivision 2, is amended to read:

362.7 Subd. 2. Terms. The terms "guaranteed renewable" and "noncancelable" may not  
 362.8 be used in an individual long-term care insurance policy without further explanatory  
 362.9 language that complies with the disclosure requirements of section 62S.20. The term  
 362.10 "level premium" may only be used when the insurer does not have the right to change  
 362.11 the premium.

362.12 Sec. 7. Minnesota Statutes 2004, section 62S.15, is amended to read:

362.13 **62S.15 AUTHORIZED LIMITATIONS AND EXCLUSIONS.**

362.14 No policy may be delivered or issued for delivery in this state as long-term care  
 362.15 insurance if the policy limits or excludes coverage by type of illness, treatment, medical  
 362.16 condition, or accident, except as follows:

- 362.17 (1) preexisting conditions or diseases;
- 362.18 (2) mental or nervous disorders; except that the exclusion or limitation of benefits on  
 362.19 the basis of Alzheimer's disease is prohibited;
- 362.20 (3) alcoholism and drug addiction;
- 362.21 (4) illness, treatment, or medical condition arising out of war or act of war;  
 362.22 participation in a felony, riot, or insurrection; service in the armed forces or auxiliary  
 362.23 units; suicide, attempted suicide, or intentionally self-inflicted injury; or non-fare-paying  
 362.24 aviation; ~~and~~
- 362.25 (5) treatment provided in a government facility unless otherwise required by  
 362.26 law, services for which benefits are available under Medicare or other government  
 362.27 program except Medicaid, state or federal workers' compensation, employer's liability  
 362.28 or occupational disease law, motor vehicle no-fault law; services provided by a member  
 362.29 of the covered person's immediate family; and services for which no charge is normally  
 362.30 made in the absence of insurance; and
- 362.31 (6) expenses for services or items available or paid under another long-term care  
 362.32 insurance or health insurance policy.

362.33 This subdivision does not prohibit exclusions and limitations by type of provider or  
 362.34 territorial limitations.

363.1 Sec. 8. Minnesota Statutes 2004, section 62S.20, subdivision 1, is amended to read:

363.2 Subdivision 1. **Renewability.** (a) Individual long-term care insurance policies  
 363.3 must contain a renewability provision that is appropriately captioned, appears on the first  
 363.4 page of the policy, and clearly states ~~the duration, where limited, of renewability and the~~  
 363.5 ~~duration of the term of coverage for which the policy is issued and for which it may be~~  
 363.6 ~~renewed~~ that the coverage is guaranteed renewable or noncancelable. This subdivision  
 363.7 does not apply to policies which are part of or combined with life insurance policies  
 363.8 which do not contain a renewability provision and under which the right to nonrenew is  
 363.9 reserved solely to the policyholder.

363.10 (b) A long-term care insurance policy or certificate, other than one where the insurer  
 363.11 does not have the right to change the premium, shall include a statement that premium  
 363.12 rates may change.

363.13 Sec. 9. Minnesota Statutes 2004, section 62S.24, subdivision 1, is amended to read:

363.14 Subdivision 1. **Required questions.** An application form must include the following  
 363.15 questions designed to elicit information as to whether, as of the date of the application, the  
 363.16 applicant has another long-term care insurance policy or certificate in force or whether a  
 363.17 long-term care policy or certificate is intended to replace any other accident and sickness  
 363.18 or long-term care policy or certificate presently in force. A supplementary application  
 363.19 or other form to be signed by the applicant and agent, except where the coverage is sold  
 363.20 without an agent, containing the following questions may be used. If a replacement policy  
 363.21 is issued to a group as defined under section 62S.01, subdivision 15, clause (1), the  
 363.22 following questions may be modified only to the extent necessary to elicit information  
 363.23 about long-term care insurance policies other than the group policy being replaced;  
 363.24 provided, however, that the certificate holder has been notified of the replacement:

363.25 (1) do you have another long-term care insurance policy or certificate in force  
 363.26 (including health care service contract or health maintenance organization contract)?;

363.27 (2) did you have another long-term care insurance policy or certificate in force  
 363.28 during the last 12 months?;

363.29 (i) if so, with which company?; and

363.30 (ii) if that policy lapsed, when did it lapse?; and

363.31 (3) are you covered by Medicaid?; and

363.32 (4) do you intend to replace any of your medical or health insurance coverage with  
 363.33 this policy (certificate)?



364.1 Sec. 10. Minnesota Statutes 2004, section 62S.24, is amended by adding a subdivision  
364.2 to read:

364.3 Subd. 1a. Other health insurance policies sold by agent. Agents shall list all other  
364.4 health insurance policies they have sold to the applicant that are still in force or were sold  
364.5 in the past five years and are no longer in force.

364.6 Sec. 11. Minnesota Statutes 2004, section 62S.24, subdivision 3, is amended to read:

364.7 **Subd. 3. Solicitations other than direct response.** After determining that a  
364.8 sale will involve replacement, an insurer, other than an insurer using direct response  
364.9 solicitation methods or its agent, shall furnish the applicant, before issuance or delivery of  
364.10 the individual long-term care insurance policy, a notice regarding replacement of accident  
364.11 and sickness or long-term care coverage. One copy of the notice must be retained by the  
364.12 applicant and an additional copy signed by the applicant must be retained by the insurer.

364.13 The required notice must be provided in the following manner:

364.14 NOTICE TO APPLICANT REGARDING REPLACEMENT OF  
364.15 INDIVIDUAL ACCIDENT AND SICKNESS OR LONG-TERM  
364.16 CARE INSURANCE

364.17 (Insurance company's name and address)

364.18 SAVE THIS NOTICE! IT MAY BE IMPORTANT TO YOU IN THE FUTURE.

364.19 According to (your application) (information you have furnished), you intend to  
364.20 lapse or otherwise terminate existing accident and sickness or long-term care insurance  
364.21 and replace it with an individual long-term care insurance policy to be issued by (company  
364.22 name) insurance company. Your new policy provides 30 days within which you may  
364.23 decide, without cost, whether you desire to keep the policy. For your own information and  
364.24 protection, you should be aware of and seriously consider certain factors which may affect  
364.25 the insurance protection available to you under the new policy.

364.26 You should review this new coverage carefully, comparing it with all accident  
364.27 and sickness or long-term care insurance coverage you now have, and terminate your  
364.28 present policy only if, after due consideration, you find that purchase of this long-term  
364.29 care coverage is a wise decision.

364.30 STATEMENT TO APPLICANT BY AGENT  
364.31 (BROKER OR OTHER REPRESENTATIVE):  
364.32 (Use additional sheets, as necessary.)

364.33 I have reviewed your current medical health insurance coverage. I believe the  
364.34 replacement of insurance involved in this transaction materially improves your position.  
364.35 My conclusion has taken into account the following considerations, which I call to your  
364.36 attention:

365.1 (a) Health conditions which you presently have (preexisting conditions) may not  
 365.2 be immediately or fully covered under the new policy. This could result in denial or  
 365.3 delay in payment of benefits under the new policy, whereas a similar claim might have  
 365.4 been payable under your present policy.

365.5 (b) State law provides that your replacement policy or certificate may not contain  
 365.6 new preexisting conditions or probationary periods. The insurer will waive any time  
 365.7 periods applicable to preexisting conditions or probationary periods in the new policy (or  
 365.8 coverage) for similar benefits to the extent such time was spent (depleted) under the  
 365.9 original policy.

365.10 (c) If you are replacing existing long-term care insurance coverage, you may wish to  
 365.11 secure the advice of your present insurer or its agent regarding the proposed replacement of  
 365.12 your present policy. This is not only your right, but it is also in your best interest to make  
 365.13 sure you understand all the relevant factors involved in replacing your present coverage.

365.14 (d) If, after due consideration, you still wish to terminate your present policy and  
 365.15 replace it with new coverage, be certain to truthfully and completely answer all questions  
 365.16 on the application concerning your medical health history. Failure to include all material  
 365.17 medical information on an application may provide a basis for the company to deny any  
 365.18 future claims and to refund your premium as though your policy had never been in force.  
 365.19 After the application has been completed and before you sign it, reread it carefully to be  
 365.20 certain that all information has been properly recorded.

365.21 .....

365.22 (Signature of Agent, Broker, or Other Representative)

365.23 (Typed Name and Address of Agency or Broker)

365.24 The above "Notice to Applicant" was delivered to me on:

365.25 .....  
 365.26 (Date)

365.27 .....  
 365.28 (Applicant's Signature)

365.29 Sec. 12. Minnesota Statutes 2004, section 62S.24, subdivision 4, is amended to read:

365.30 Subd. 4. **Direct response solicitations.** Insurers using direct response solicitation  
 365.31 methods shall deliver a notice regarding replacement of long-term care coverage to  
 365.32 the applicant upon issuance of the policy. The required notice must be provided in the  
 365.33 following manner:

365.34 NOTICE TO APPLICANT REGARDING REPLACEMENT OF ACCIDENT  
 365.35 AND SICKNESS OR LONG-TERM CARE INSURANCE

365.36 (Insurance company's name and address)

366.1

**SAVE THIS NOTICE! IT MAY BE  
IMPORTANT TO YOU IN THE FUTURE.**

366.2

366.3

According to (your application) (information you have furnished), you intend to lapse or otherwise terminate existing accident and sickness or long-term care insurance and replace it with the long-term care insurance policy delivered herewith issued by (company name) insurance company.

366.7

Your new policy provides 30 days within which you may decide, without cost, whether you desire to keep the policy. For your own information and protection, you should be aware of and seriously consider certain factors which may affect the insurance protection available to you under the new policy.

366.11

You should review this new coverage carefully, comparing it with all long-term care insurance coverage you now have, and terminate your present policy only if, after due consideration, you find that purchase of this long-term care coverage is a wise decision.

366.14

(a) Health conditions which you presently have (preexisting conditions) may not be immediately or fully covered under the new policy. This could result in denial or delay in payment of benefits under the new policy, whereas a similar claim might have been payable under your present policy.

366.18

(b) State law provides that your replacement policy or certificate may not contain new preexisting conditions or probationary periods. Your insurer will waive any time periods applicable to preexisting conditions or probationary periods in the new policy (or coverage) for similar benefits to the extent such time was spent (depleted) under the original policy.

366.23

(c) If you are replacing existing long-term care insurance coverage, you may wish to secure the advice of your present insurer or its agent regarding the proposed replacement of your present policy. This is not only your right, but it is also in your best interest to make sure you understand all the relevant factors involved in replacing your present coverage.

366.27

(d) (To be included only if the application is attached to the policy.)

366.28

If, after due consideration, you still wish to terminate your present policy and replace it with new coverage, read the copy of the application attached to your new policy and be sure that all questions are answered fully and correctly. Omissions or misstatements in the application could cause an otherwise valid claim to be denied. Carefully check the application and write to (company name and address) within 30 days if any information is not correct and complete, or if any past medical history has been left out of the application.

366.34

366.35

.....  
(Company Name)

367.1 Sec. 13. Minnesota Statutes 2004, section 62S.24, is amended by adding a subdivision  
367.2 to read:

367.3 Subd. 7. Life insurance policies. Life insurance policies that accelerate benefits for  
367.4 long-term care shall comply with this section if the policy being replaced is a long-term  
367.5 care insurance policy. If the policy being replaced is a life insurance policy, the insurer  
367.6 shall comply with the replacement requirements of sections 61A.53 to 61A.60. If a  
367.7 life insurance policy that accelerates benefits for long-term care is replaced by another  
367.8 such policy, the replacing insurer shall comply with both the long-term care and the life  
367.9 insurance replacement requirements.

367.10 Sec. 14. Minnesota Statutes 2004, section 62S.25, subdivision 6, is amended to read:

367.11 Subd. 6. **Claims denied.** Each insurer shall report annually by June 30 the number  
367.12 of claims denied for any reason during the reporting period for each class of business,  
367.13 expressed as a percentage of claims denied, other than claims denied for failure to meet  
367.14 the waiting period or because of any applicable preexisting condition. For purposes of  
367.15 this subdivision, "claim" means a request for payment of benefits under an in-force policy  
367.16 regardless of whether the benefit claimed is covered under the policy or any terms or  
367.17 conditions of the policy have been met.

367.18 Sec. 15. Minnesota Statutes 2004, section 62S.25, is amended by adding a subdivision  
367.19 to read:

367.20 Subd. 7. Reports. Reports under this section shall be done on a statewide basis and  
367.21 filed with the commissioner. They shall include, at a minimum, the information in the  
367.22 format contained in Appendix E (Claim Denial Reporting Form) and in Appendix G  
367.23 (Replacement and Lapse Reporting Form) of the Long-Term Care Model Regulation  
367.24 adopted by the National Association of Insurance Commissioners.

367.25 Sec. 16. Minnesota Statutes 2004, section 62S.26, is amended to read:

367.26 **62S.26 LOSS RATIO.**

367.27 Subdivision 1. Minimum loss ratio. (a) The minimum loss ratio must be at least 60  
367.28 percent, calculated in a manner which provides for adequate reserving of the long-term  
367.29 care insurance risk. In evaluating the expected loss ratio, the commissioner shall give  
367.30 consideration to all relevant factors, including:

- 367.31 (1) statistical credibility of incurred claims experience and earned premiums;  
367.32 (2) the period for which rates are computed to provide coverage;  
367.33 (3) experienced and projected trends;

- 368.1 (4) concentration of experience within early policy duration;  
368.2 (5) expected claim fluctuation;  
368.3 (6) experience refunds, adjustments, or dividends;  
368.4 (7) renewability features;  
368.5 (8) all appropriate expense factors;  
368.6 (9) interest;  
368.7 (10) experimental nature of the coverage;  
368.8 (11) policy reserves;  
368.9 (12) mix of business by risk classification; and  
368.10 (13) product features such as long elimination periods, high deductibles, and high  
368.11 maximum limits.

368.12 Subd. 2. Life insurance policies. Subdivision 1 shall not apply to life insurance  
368.13 policies that accelerate benefits for long-term care. A life insurance policy that funds  
368.14 long-term care benefits entirely by accelerating the death benefit is considered to provide  
368.15 reasonable benefits in relation to premiums paid, if the policy complies with all of the  
368.16 following provisions:

368.17 (1) the interest credited internally to determine cash value accumulations, including  
368.18 long-term care, if any, are guaranteed not to be less than the minimum guaranteed interest  
368.19 rate for cash value accumulations without long-term care set forth in the policy;

368.20 (2) the portion of the policy that provides life insurance benefits meets the  
368.21 nonforfeiture requirements of section 61A.24;

368.22 (3) the policy meets the disclosure requirements of sections 62S.09, 62S.10, and  
368.23 62S.11; and

368.24 (4) an actuarial memorandum is filed with the commissioner that includes:

368.25 (i) a description of the basis on which the long-term care rates were determined;

368.26 (ii) a description of the basis for the reserves;

368.27 (iii) a summary of the type of policy, benefits, renewability, general marketing  
368.28 method, and limits on ages of issuance;

368.29 (iv) a description and a table of each actuarial assumption used. For expenses,  
368.30 an insurer must include percentage of premium dollars per policy and dollars per unit  
368.31 of benefits, if any;

368.32 (v) a description and a table of the anticipated policy reserves and additional reserves  
368.33 to be held in each future year for active lives;

368.34 (vi) the estimated average annual premium per policy and the average issue age;

368.35 (vii) a statement as to whether underwriting is performed at the time of application.

368.36 The statement shall indicate whether underwriting is used and, if used, the statement

369.1 shall include a description of the type or types of underwriting used, such as medical  
 369.2 underwriting or functional assessment underwriting. Concerning a group policy, the  
 369.3 statement shall indicate whether the enrollee or any dependent will be underwritten and  
 369.4 when underwriting occurs; and

369.5 (viii) a description of the effect of the long-term care policy provision on the required  
 369.6 premiums, nonforfeiture values, and reserves on the underlying life insurance policy, both  
 369.7 for active lives and those in long-term care claim status.

369.8 Subd. 3. Nonapplication. (b) This section does not apply to policies or certificates  
 369.9 that are subject to sections 62S.021, 62S.081, and 62S.265, and that comply with those  
 369.10 sections.

369.11 Sec. 17. Minnesota Statutes 2004, section 62S.266, subdivision 2, is amended to read:

369.12 Subd. 2. Requirement. (a) An insurer must offer each prospective policyholder a  
 369.13 nonforfeiture benefit in compliance with the following requirements:

369.14 (1) a policy or certificate offered with nonforfeiture benefits must have coverage  
 369.15 elements, eligibility, benefit triggers, and benefit length that are the same as coverage to be  
 369.16 issued without nonforfeiture benefits. The nonforfeiture benefit included in the offer must  
 369.17 be the benefit described in subdivision 5; and

369.18 (2) the offer must be in writing if the nonforfeiture benefit is not otherwise described  
 369.19 in the outline of coverage or other materials given to the prospective policyholder.

369.20 (b) When a group long-term care insurance policy is issued, the offer required in  
 369.21 paragraph (a) shall be made to the group policy holder. However, if the policy is issued as  
 369.22 group long-term care insurance as defined in section 62S.01, subdivision 15, clause (4),  
 369.23 other than to a continuing care retirement community or other similar entity, the offering  
 369.24 shall be made to each proposed certificate holder.

369.25 Sec. 18. Minnesota Statutes 2004, section 62S.29, subdivision 1, is amended to read:

369.26 Subdivision 1. Requirements. An insurer or other entity marketing long-term care  
 369.27 insurance coverage in this state, directly or through its producers, shall:

369.28 (1) establish marketing procedures and agent training requirements to assure that a  
 369.29 any marketing activities, including any comparison of policies by its agents or other  
 369.30 producers, are fair and accurate;

369.31 (2) establish marketing procedures to assure excessive insurance is not sold or issued;

369.32 (3) display prominently by type, stamp, or other appropriate means, on the first page  
 369.33 of the outline of coverage and policy, the following:

370.1 "Notice to buyer: This policy may not cover all of the costs associated with  
 370.2 long-term care incurred by the buyer during the period of coverage. The buyer is advised  
 370.3 to review carefully all policy limitations.";

370.4 (4) provide copies of the disclosure forms required in section 62S.081, subdivision  
 370.5 4, to the applicant;

370.6 (5) inquire and otherwise make every reasonable effort to identify whether a  
 370.7 prospective applicant or enrollee for long-term care insurance already has long-term care  
 370.8 insurance and the types and amounts of the insurance;

370.9 (5) (6) establish auditable procedures for verifying compliance with this subdivision;  
 370.10 and

370.11 (6) (7) if applicable, provide written notice to the prospective policyholder and  
 370.12 certificate holder, at solicitation, that a senior insurance counseling program approved  
 370.13 by the commissioner is available and the name, address, and telephone number of the  
 370.14 program;

370.15 (8) use the terms "noncancelable" or "level premium" only when the policy or  
 370.16 certificate conforms to section 62S.14; and

370.17 (9) provide an explanation of contingent benefit upon lapse provided for in section  
 370.18 62S.266.

370.19 Sec. 19. Minnesota Statutes 2004, section 62S.30, is amended to read:

370.20 **62S.30 APPROPRIATENESS OF RECOMMENDED PURCHASE**  
 370.21 **SUITABILITY.**

370.22 ~~In recommending the purchase or replacement of a long-term care insurance policy~~  
 370.23 ~~or certificate, an agent shall comply with section 60K.46, subdivision 4.~~

370.24 Subdivision 1. Standards. Every insurer or other entity marketing long-term care  
 370.25 insurance shall:

370.26 (1) develop and use suitability standards to determine whether the purchase or  
 370.27 replacement of long-term care insurance is appropriate for the needs of the applicant;

370.28 (2) train its agents in the use of its suitability standards; and

370.29 (3) maintain a copy of its suitability standards and make them available for  
 370.30 inspection upon request by the commissioner.

370.31 Subd. 2. Procedures. (a) To determine whether the applicant meets the standards  
 370.32 developed by the insurer or other entity marketing long-term care insurance, the agent  
 370.33 and insurer or other entity marketing long-term care insurance shall develop procedures  
 370.34 that take the following into consideration:

371.1 (1) the ability to pay for the proposed coverage and other pertinent financial  
371.2 information related to the purchase of the coverage;  
371.3 (2) the applicant's goals or needs with respect to long-term care and the advantages  
371.4 and disadvantages of insurance to meet those goals or needs; and  
371.5 (3) the values, benefits, and costs of the applicant's existing insurance, if any, when  
371.6 compared to the values, benefits, and costs of the recommended purchase or replacement.

371.7 (b) The insurer or other entity marketing long-term care insurance, and the agent,  
371.8 where an agent is involved, shall make reasonable efforts to obtain the information set  
371.9 forth in paragraph (a). The efforts shall include presentation to the applicant, at or prior  
371.10 to application, of the "Long-Term Care Insurance Personal Worksheet." The personal  
371.11 worksheet used by the insurer or other entity marketing long-term care insurance shall  
371.12 contain, at a minimum, the information in the format contained in Appendix B of the  
1.13 Long-Term Care Model Regulation adopted by the National Association of Insurance  
371.14 Commissioners in not less than 12-point type. The insurer or other entity marketing  
371.15 long-term care insurance may request the applicant to provide additional information to  
371.16 comply with its suitability standards. The insurer or other entity marketing long-term care  
371.17 insurance shall file a copy of its personal worksheet with the commissioner.

371.18 (c) A completed personal worksheet shall be returned to the insurer or other entity  
371.19 marketing long-term care insurance prior to consideration of the applicant for coverage,  
371.20 except the personal worksheet need not be returned for sales of employer group long-term  
371.21 care insurance to employees and their spouses. The sale or dissemination by the insurer  
371.22 or other entity marketing long-term care insurance, or the agent, of information obtained  
371.23 through the personal worksheet is prohibited.

371.24 (d) The insurer or other entity marketing long-term care insurance shall use the  
371.25 suitability standards it has developed under this section in determining whether issuing  
371.26 long-term care insurance coverage to an applicant is appropriate. Agents shall use the  
371.27 suitability standards developed by the insurer or other entity marketing long-term care  
371.28 insurance in marketing long-term care insurance.

371.29 (e) At the same time as the personal worksheet is provided to the applicant, the  
371.30 disclosure form entitled "Things You Should Know Before You Buy Long-Term Care  
371.31 Insurance" shall be provided. The form shall be in the format contained in Appendix C of  
371.32 the Long-Term Care Insurance Model Regulation adopted by the National Association of  
371.33 Insurance Commissioners in not less than 12-point type.

371.34 (f) If the insurer or other entity marketing long-term care insurance determines  
371.35 that the applicant does not meet its financial suitability standards, or if the applicant has  
371.36 declined to provide the information, the insurer or other entity marketing long-term



372.1 care insurance may reject the application. In the alternative, the insurer or other entity  
 372.2 marketing long-term care insurance shall send the applicant a letter similar to Appendix D  
 372.3 of the Long-Term Care Insurance Model Regulation adopted by the National Association  
 372.4 of Insurance Commissioners. However, if the applicant has declined to provide financial  
 372.5 information, the insurer or other entity marketing long-term care insurance may use some  
 372.6 other method to verify the applicant's intent. The applicant's returned letter or a record of  
 372.7 the alternative method of verification shall be made part of the applicant's file.

372.8 Subd. 3. Reports. The insurer or other entity marketing long-term care insurance  
 372.9 shall report annually to the commissioner the total number of applications received from  
 372.10 residents of this state, the number of those who declined to provide information on the  
 372.11 personal worksheet, the number of applicants who did not meet the suitability standards,  
 372.12 and the number of those who chose to confirm after receiving a suitability letter.

372.13 Subd. 4. Application. This section shall not apply to life insurance policies that  
 372.14 accelerate benefits for long-term care.

372.15 Sec. 20. [62S.315] PRODUCER TRAINING.

372.16 The commissioner shall approve insurer and producer training requirements  
 372.17 according to the NAIC Long-Term Care Insurance Model Act provisions. The  
 372.18 commissioner of human services shall provide technical assistance and information to the  
 372.19 commissioner according to Public Law 109-171, section 6021.

372.20 **ARTICLE 23**  
 372.21 **MISCELLANEOUS**  
 372.22 **HEALTH AND HUMAN SERVICES**

372.23 Section 1. Minnesota Statutes 2004, section 62Q.19, subdivision 2, is amended to read:

372.24 **Subd. 2. Application.** (a) Any provider may apply to the commissioner for  
 372.25 designation as an essential community provider by submitting an application form  
 372.26 developed by the commissioner. Except as provided in paragraphs (d) and (e), applications  
 372.27 must be accepted within two years after the effective date of the rules adopted by the  
 372.28 commissioner to implement this section.

372.29 (b) Each application submitted must be accompanied by an application fee in an  
 372.30 amount determined by the commissioner. The fee shall be no more than what is needed to  
 372.31 cover the administrative costs of processing the application.

372.32 (c) The name, address, contact person, and the date by which the commissioner's  
 372.33 decision is expected to be made shall be classified as public data under section 13.41. All  
 372.34 other information contained in the application form shall be classified as private data

373.1 under section 13.41 until the application has been approved, approved as modified, or  
 373.2 denied by the commissioner. Once the decision has been made, all information shall be  
 373.3 classified as public data unless the applicant designates and the commissioner determines  
 373.4 that the information contains trade secret information.

373.5 (d) The commissioner shall accept ~~an application~~ applications for designation as  
 373.6 an essential community provider until June 30, ~~2004~~ 2006, from one applicant that is  
 373.7 a nonprofit community ~~services agency certified as a medical assistance provider that~~  
 373.8 ~~provides mental health, behavioral health, chemical dependency, employment, and health~~  
 373.9 ~~wellness services to the underserved Spanish-speaking Latino families and individuals~~  
 373.10 ~~with locations in Minneapolis and St. Paul~~ mental health agency located in Hennepin  
 373.11 County that partners with the Minneapolis public school system to provide mental health  
 373.12 services to school-age children and their families and provides mental health services to  
 373.13 immigrant communities, and from one applicant that is a nonprofit, county mental health  
 373.14 services center certified as a medical assistance provider that provides behavioral health  
 373.15 services and wrap-around eligibility support services to an underserved population with  
 373.16 chemical dependency and serious mental illness.

373.17 **EFFECTIVE DATE.** This section is effective the day following final enactment.

373.18 Sec. 2. Minnesota Statutes 2004, section 145.925, is amended by adding a subdivision  
 373.19 to read:

373.20 **Subd. 10. Definition of governmental unit.** For purposes of section 471.59,  
 373.21 subdivision 1, nonprofit community health clinics providing family planning services as  
 373.22 defined in this section shall be included in the definition of "governmental unit."

373.23 **EFFECTIVE DATE.** This section is effective the day following final enactment.

373.24 Sec. 3. **[152.126] SCHEDULE II CONTROLLED SUBSTANCES**  
 373.25 **PRESCRIPTION ELECTRONIC REPORTING SYSTEM.**

373.26 **Subdivision 1. Definitions.** For purposes of this section, the terms defined in this  
 373.27 subdivision have the meanings given.

373.28 (a) **"Board"** means the Minnesota State Board of Pharmacy established under  
 373.29 chapter 151.

373.30 (b) **"Controlled substances"** means those substances listed in section 152.02,  
 373.31 subdivision 3, and those substances defined by the board pursuant to section 152.02,  
 373.32 subdivisions 7, 8, and 12.

374.1 (c) "Dispense" or "dispensing" has the meaning given in section 151.01, subdivision  
374.2 30. Dispensing does not include the direct administering of a controlled substance to a  
374.3 patient by a licensed health care professional.

374.4 (d) "Dispenser" means a person authorized by law to dispense, pursuant to a valid  
374.5 prescription, a controlled substance. A dispenser does not include a licensed hospital  
374.6 pharmacy that distributes controlled substances for inpatient hospital care.

374.7 (e) "Prescriber" means a licensed health care professional who is authorized to  
374.8 prescribe a controlled substance under section 152.12, subdivision 1.

374.9 (f) "Prescription" has the meaning given in section 151.01, subdivision 16.

374.10 Subd. 2. Establishment of a prescription electronic reporting system. (a) The  
374.11 board shall establish by January 1, 2008, an electronic system for reporting the information  
374.12 required under subdivision 4 for all controlled substances dispensed within the state. Data  
374.13 for controlled substance prescriptions that are dispensed in a quantity small enough to  
374.14 provide treatment to a patient for a period of 48 hours or less need not be reported.

374.15 (b) The board may contract with a vendor for the purpose of obtaining technical  
374.16 assistance in the design, implementation, and maintenance of the electronic reporting  
374.17 system. The vendor's role shall be limited to providing technical support to the board  
374.18 concerning the software, databases, and computer systems required to interface with the  
374.19 existing systems currently used by pharmacies to dispense prescriptions and transmit  
374.20 prescription data to other third parties.

374.21 Subd. 3. Prescription Electronic Reporting Advisory Committee. (a) The board  
374.22 may convene an advisory committee. If the board convenes a committee, the committee  
374.23 must include at least one representative of:

374.24 (1) the Department of Health;

374.25 (2) the Department of Human Services;

374.26 (3) each health-related licensing board that licenses prescribers;

374.27 (4) a professional medical association, which may include an association of pain  
374.28 management and chemical dependency specialists;

374.29 (5) a professional pharmacy association;

374.30 (6) a consumer privacy or security advocate; and

374.31 (7) a consumer or patient rights organization.

374.32 (b) The advisory committee shall advise the board on the development and operation  
374.33 of the electronic reporting system, including, but not limited to:

374.34 (1) technical standards for electronic prescription drug reporting;

374.35 (2) proper analysis and interpretation of prescription monitoring data; and

374.36 (3) an evaluation process for the program.

375.1 Subd. 4. Reporting requirements. (a) Each dispenser must submit the following  
375.2 data to the board or its designated vendor:

375.3 (1) name of the prescriber;

375.4 (2) national provider identifier of the prescriber;

375.5 (3) name of the dispenser;

375.6 (4) national provider identifier of the dispenser;

375.7 (5) name of the patient for whom the prescription was written;

375.8 (6) date of birth of the patient for whom the prescription was written;

375.9 (7) date the prescription was written;

375.10 (8) date the prescription was filled;

375.11 (9) name and strength of the controlled substance;

375.12 (10) quantity of controlled substance prescribed; and

375.13 (11) quantity of controlled substance dispensed.

375.14 (b) The dispenser must submit the required information by a procedure and in a  
375.15 format established by the board.

375.16 (c) A dispenser is not required to submit this data for those controlled substance  
375.17 prescriptions dispensed for individuals residing in licensed skilled nursing or intermediate  
375.18 care facilities.

375.19 Subd. 5. Use of data by board. (a) The board shall develop and maintain a database  
375.20 of the data reported under subdivision 4. The database may be used by permissible users  
375.21 identified under subdivision 6 for the identification of:

375.22 (1) individuals receiving prescriptions for controlled substances from prescribers  
375.23 who subsequently obtain controlled substances from dispensers in quantities or with a  
375.24 frequency inconsistent with generally recognized standards of dosage for those controlled  
375.25 substances; and

375.26 (2) individuals presenting forged or otherwise false or altered prescriptions for  
375.27 controlled substances to dispensers.

375.28 (b) No permissible user identified under subdivision 6 may access the database  
375.29 for the sole purpose of identifying prescribers of controlled substances for unusual or  
375.30 excessive prescribing patterns without a valid search warrant or court order.

375.31 Subd. 6. Access to prescription electronic reporting system data. (a) Except as  
375.32 indicated in this subdivision, the data submitted to the board under subdivision 4 is private  
375.33 data on individuals as defined in section 13.02, subdivision 12.

375.34 (b) The board may provide data submitted under subdivision 4 for public research,  
375.35 policy, or education purposes, to the extent that any personal identifying information  
375.36 has been removed or encrypted.

376.1 (c) The following persons shall be considered permissible users and may access the  
376.2 data submitted under subdivision 4 in the same or similar manner, and for the same or  
376.3 similar purposes, as those persons who are authorized to access similar private data on  
376.4 individuals under federal and state law:

376.5 (1) a prescriber, to the extent the information relates specifically to a current patient  
376.6 of the prescriber, to whom the practitioner is prescribing or considering prescribing any  
376.7 controlled substance;

376.8 (2) a dispenser to the extent the information relates specifically to a current patient to  
376.9 whom that dispenser is dispensing or considering dispensing any controlled substance;

376.10 (3) an individual who is the recipient of a controlled substance prescription for  
376.11 which data was submitted under subdivision 4;

376.12 (4) personnel of the board specifically assigned to conduct a bona fide investigation  
376.13 of a specific licensee;

376.14 (5) personnel of the board engaged in the collection of controlled substance  
376.15 prescription information as part of the assigned duties and responsibilities under this  
376.16 section;

376.17 (6) authorized personnel of a vendor under contract with the board who are engaged  
376.18 in the design, implementation, and maintenance of the electronic reporting system as part  
376.19 of the assigned duties and responsibilities of their employment, provided that access to data  
376.20 is limited to the minimum amount necessary to test and maintain the system databases;

376.21 (7) a designated representative of a health-related licensing board responsible for the  
376.22 licensure, regulation, or discipline of prescribers or dispensers, provided that the requested  
376.23 data relates to a bona fide investigation of a specific licensee;

376.24 (8) federal, state, and local law enforcement authorities engaged in a bona fide  
376.25 investigation of a specific person; and

376.26 (9) personnel of the medical assistance program assigned to use the data collected  
376.27 under this section to identify recipients whose usage of controlled substances may warrant  
376.28 restriction to a single primary care physician, a single outpatient pharmacy, or a single  
376.29 hospital.

376.30 (d) Any permissible user identified in paragraph (c) who directly accesses  
376.31 the data electronically shall implement and maintain a comprehensive information  
376.32 security program that contains administrative, technical, and physical safeguards that  
376.33 are appropriate to the user's size and complexity, and the sensitivity of the personal  
376.34 information obtained. The permissible user shall identify reasonably foreseeable internal  
376.35 and external risks to the security, confidentiality, and integrity of personal information

377.1 that could result in the unauthorized disclosure, misuse, or other compromise of the  
 377.2 information and assess the sufficiency of any safeguards in place to control the risks.

377.3 (e) The board shall not release data submitted under this section unless it is provided  
 377.4 with evidence, satisfactory to the board, that the person requesting the information is  
 377.5 entitled to receive the data. Access to the data by law enforcement authorities must be  
 377.6 accompanied by a valid search warrant.

377.7 (f) The board shall maintain a log of all persons who access the data and shall ensure  
 377.8 that any permissible user complies with paragraph (d) prior to attaining direct access to  
 377.9 the data.

377.10 Subd. 7. **Disciplinary action.** (a) A dispenser who knowingly fails to submit data to  
 377.11 the board as required under this section is subject to disciplinary action by the appropriate  
 377.12 health-related licensing board.

377.13 (b) A prescriber or dispenser authorized to access the data who knowingly discloses  
 377.14 the data in violation of state or federal laws relating to the privacy of healthcare data shall  
 377.15 be subject to disciplinary action by the appropriate health-related licensing board.

377.16 Subd. 8. **Evaluation and reporting.** (a) The board shall evaluate the prescription  
 377.17 electronic reporting system to determine if the system is cost effective and whether it is  
 377.18 negatively impacting appropriate prescribing practices of controlled substances. The  
 377.19 board may contract with a vendor to design and conduct the evaluation.

377.20 (b) The board shall submit the evaluation of the system to the legislature by January  
 377.21 15, 2009.

377.22 **EFFECTIVE DATE.** This section is effective July 1, 2006, or upon receiving  
 377.23 sufficient nonstate funds to implement the prescription electronic reporting system,  
 377.24 whichever is later. In the event that nonstate funds are not secured by the Board of  
 377.25 Pharmacy to adequately fund the implementation of the prescription electronic reporting  
 377.26 system, the board is not required to implement section 152.126 without a subsequent  
 377.27 appropriation from the legislature.

377.28 Sec. 4. **[325E.385] ITEMS CONTAINING LEAD PROHIBITED.**

377.29 Subdivision 1. **Definition.** For the purposes of this section "jewelry" means: (1)  
 377.30 an ornament worn by a person on the body or on clothing, including, but not limited to,  
 377.31 a necklace, bracelet, anklet, earring, locket, pendant, charm bracelet, ring, pinky ring,  
 377.32 chain, broach, pin, lapel pin, headband, watchband; or (2) any pendant, bead, chain, link,  
 377.33 or other component of such an ornament.

377.34 Subd. 2. **Warning.** (a) No person shall offer for sale, sell, or distribute free of  
 377.35 charge any jewelry or item of personal decoration that contains more than 600 parts per

378.1 million of lead unless it bears a warning label clearly visible to the buyer indicating that  
378.2 the item contains lead.

378.3 (b) The obligation to test for lead content and label accurately lies with the producer  
378.4 or packager of the item and not with the retail seller. Retailers may not sell unlabeled  
378.5 items without first verifying that the items were tested by the producer or packager.

378.6 Subd. 3. Sale prohibited. Effective July 1, 2006, no person shall sell, offer for  
378.7 sale, or distribute free of charge any trinket, jewelry, items of personal decoration, toy,  
378.8 or clothing containing more than 600 parts per million of lead that is intended for use  
378.9 by a child under the age of 12.

378.10 Subd. 4. Exemption. This section does not apply to consumer-to-consumer  
378.11 transactions.

378.12 EFFECTIVE DATE. This section is effective the day following final enactment.

378.13 Sec. 5. FEDERAL GRANTS.

378.14 The Board of Pharmacy shall apply for any applicable federal grants or other nonstate  
378.15 funds to establish and fully implement the prescription electronic reporting system.

378.16 EFFECTIVE DATE. This section is effective the day following final enactment.

378.17 Sec. 6. BOARD OF PHARMACY.

378.18 The board of pharmacy shall not increase the license fees of pharmacists or  
378.19 pharmacies in order to adequately fund the prescription electronic reporting system under  
378.20 Minnesota Statutes, section 152.126, without specific authority from the legislature.

## 378.21 ARTICLE 24

### 378.22 CHILDREN AND FAMILIES PROGRAMS AND SERVICES

378.23 Section 1. Minnesota Statutes 2004, section 119B.011, is amended by adding a  
378.24 subdivision to read:

378.25 Subd. 23. Work participation rate enhancement program. "Work participation  
378.26 rate enhancement program" means the program established under section 256J.575.

378.27 Sec. 2. Minnesota Statutes 2004, section 119B.03, subdivision 4, is amended to read:

378.28 Subd. 4. Funding priority. (a) First priority for child care assistance under the  
378.29 basic sliding fee program must be given to eligible non-MFIP families who do not have a  
378.30 high school or general equivalency diploma or who need remedial and basic skill courses  
378.31 in order to pursue employment or to pursue education leading to employment and who

379.1 need child care assistance to participate in the education program. Within this priority,  
 379.2 the following subpriorities must be used:

379.3 (1) child care needs of minor parents;

379.4 (2) child care needs of parents under 21 years of age; and

379.5 (3) child care needs of other parents within the priority group described in this  
 379.6 paragraph.

379.7 (b) Second priority must be given to parents who have completed their MFIP or  
 379.8 DWP transition year, or parents who are no longer receiving or eligible for diversionary  
 379.9 work program supports.

379.10 (c) Third priority must be given to families who are eligible for portable basic sliding  
 379.11 fee assistance through the portability pool under subdivision 9.

379.12 (d) Fourth priority must be given to families in which at least one parent is a veteran  
 379.13 as defined under section 197.447.

379.14 (e) Families under paragraph (b) must be added to the basic sliding fee waiting list  
 379.15 on the date they begin the transition year under section 119B.011, subdivision 20, and  
 379.16 must be moved into the basic sliding fee program as soon as possible after they complete  
 379.17 their transition year.

379.18 Sec. 3. Minnesota Statutes 2004, section 119B.05, subdivision 1, is amended to read:

379.19 Subdivision 1. **Eligible participants.** Families eligible for child care assistance  
 379.20 under the MFIP child care program are:

379.21 (1) MFIP participants who are employed or in job search and meet the requirements  
 379.22 of section 119B.10;

379.23 (2) persons who are members of transition year families under section 119B.011,  
 379.24 subdivision 20, and meet the requirements of section 119B.10;

379.25 (3) families who are participating in employment orientation or job search, or  
 379.26 other employment or training activities that are included in an approved employability  
 379.27 development plan under section 256J.95;

379.28 (4) MFIP families who are participating in work job search, job support,  
 379.29 employment, or training activities as required in their employment plan, or in appeals,  
 379.30 hearings, assessments, or orientations according to chapter 256J;

379.31 (5) MFIP families who are participating in social services activities under chapter  
 379.32 256J as required in their employment plan approved according to chapter 256J;

9.33 (6) families who are participating in services or activities that are included in an  
 379.34 approved family stabilization plan under section 256J.575;



380.1 (7) families who are participating in programs as required in tribal contracts under  
 380.2 section 119B.02, subdivision 2, or 256.01, subdivision 2; and  
 380.3 ~~(7)~~ (8) families who are participating in the transition year extension under section  
 380.4 119B.011, subdivision 20a.

380.5 Sec. 4. Minnesota Statutes 2005 Supplement, section 119B.13, subdivision 1, is  
 380.6 amended to read:

380.7 Subdivision 1. **Subsidy restrictions.** ~~(a)(i) Effective July 1, 2005, the commissioner~~  
 380.8 ~~of human services shall modify the rate tables for child care centers published in~~  
 380.9 ~~Department of Human Services Bulletin No. 03-68-07 so that in counties with regional or~~  
 380.10 ~~statewide cells, the higher of the 100th percentile of the 2002 market rate survey data or~~  
 380.11 ~~the rate currently identified in the bulletin will be the maximum rate. The rates established~~  
 380.12 ~~in this clause will be considered as the previous year's rates for purposes of the increase in~~  
 380.13 ~~item (iii), and shall be compared to the 100th percentile of current market rates.~~

380.14 ~~(ii) For the period between July 1, 2005, and through the full implementation of the~~  
 380.15 ~~new rates under item (iii), the rates published in Department of Human Services Bulletin~~  
 380.16 ~~No. 03-68-07 as adjusted by item (i) shall remain in effect.~~

380.17 ~~(iii) (a) Beginning January July 1, 2006, the maximum rate paid for child care~~  
 380.18 ~~assistance in any county or multicounty region under the child care fund shall be the~~  
 380.19 ~~lesser of the~~

380.20 ~~75th percentile rate for like-care arrangements in the county or multicounty region~~  
 380.21 ~~as surveyed by the commissioner or the previous year's rate for like-care arrangements in~~  
 380.22 ~~the county increased by 1.75 percent except that in counties where the maximum rate is~~  
 380.23 ~~set at the 100th percentile on January 1, 2006, as published in Policy Bulletin 05-68-15,~~  
 380.24 ~~the maximum rate shall continue to be set at the 100th percentile.~~

380.25 ~~(iv) (b) Rate changes shall be implemented for services provided in March~~  
 380.26 ~~September 2006 unless a participant eligibility redetermination or a new provider~~  
 380.27 ~~agreement is completed between January July 1, 2006, and February 28 August 31, 2006.~~

380.28 As necessary, appropriate notice of adverse action must be made according to  
 380.29 Minnesota Rules, part 3400.0185, subparts 3 and 4.

380.30 New cases approved on or after January July 1, 2006, shall have the maximum rates  
 380.31 ~~under item (iii) paragraph (a)~~ implemented immediately.

380.32 ~~(b) (c)~~ (c) Not less than once every two years, the commissioner shall survey rates  
 380.33 charged by child care providers in Minnesota to determine the 75th percentile for  
 380.34 like-care arrangements in counties. When the commissioner determines that, using the  
 380.35 commissioner's established protocol, the number of providers responding to the survey is

381.1 too small to determine the 75th percentile rate for like-care arrangements in a county or  
 381.2 multicounty region, the commissioner may establish the 75th percentile maximum rate  
 381.3 based on like-care arrangements in a county, region, or category that the commissioner  
 381.4 deems to be similar.

381.5 ~~(c)~~ (d) A rate which includes a special needs rate paid under subdivision 3 may be in  
 381.6 excess of the maximum rate allowed under this subdivision.

381.7 ~~(d)~~ (e) The department shall monitor the effect of this paragraph on provider rates.  
 381.8 The county shall pay the provider's full charges for every child in care up to the maximum  
 381.9 established. The commissioner shall determine the maximum rate for each type of care on  
 381.10 an hourly, full-day, and weekly basis, including special needs and handicapped care. The  
 381.11 commissioner shall also determine the maximum rate for school age care on a half-day  
 381.12 basis.

381.13 ~~(e)~~ (f) When the provider charge is greater than the maximum provider rate allowed,  
 381.14 the parent is responsible for payment of the difference in the rates in addition to any  
 381.15 family co-payment fee.

381.16 **EFFECTIVE DATE.** This section is effective July 1, 2006.

381.17 Sec. 5. Minnesota Statutes 2004, section 119B.13, is amended by adding a subdivision  
 381.18 to read:

381.19 **Subd. 3a. Provider rate differential for accreditation.** A family child care  
 381.20 provider or child care center shall be paid a 15 percent differential above the maximum rate  
 381.21 established in subdivision 1, up to the actual provider rate, if the provider or center holds a  
 381.22 current early childhood development credential or is accredited. For a family child care  
 381.23 provider, early childhood development credential and accreditation includes an individual  
 381.24 who has earned a child development associate degree, a diploma in child development from  
 381.25 a Minnesota state technical college, or a bachelor's degree in early childhood education  
 381.26 from an accredited college or university, or who is accredited by the National Association  
 381.27 for Family Child Care or the Competency Based Training and Assessment Program. For a  
 381.28 child care center, accreditation includes accreditation by the National Association for the  
 381.29 Education of Young Children, the Council on Accreditation, the National Early Childhood  
 381.30 Program Accreditation, the National School-Age Care Association, or the National Head  
 381.31 Start Association Program of Excellence. For Montessori programs, accreditation includes  
 81.32 the American Montessori Society, Association of Montessori International-USA, or the  
 381.33 National Center for Montessori Education.

381.34 **EFFECTIVE DATE.** This section is effective July 1, 2006.

382.1 Sec. 6. Minnesota Statutes 2005 Supplement, section 245C.24, subdivision 2, is  
 382.2 amended to read:

382.3 Subd. 2. **Permanent bar to set aside a disqualification.** (a) Except as provided in  
 382.4 paragraph (b), the commissioner may not set aside the disqualification of any individual  
 382.5 disqualified pursuant to this chapter, regardless of how much time has passed, if the  
 382.6 individual was disqualified for a crime or conduct listed in section 245C.15, subdivision 1.

382.7 (b) For an individual who was disqualified for a crime or conduct listed under section  
 382.8 245C.15, subdivision 1, and whose disqualification was set aside prior to July 1, 2005,  
 382.9 the commissioner must consider granting a subsequent set aside for the same or different  
 382.10 license holder based on the evaluation under section 245A.22, subdivision 4. A request for  
 382.11 reconsideration evaluated under this paragraph must include a letter of recommendation  
 382.12 from the license holder that was subject to the prior set aside decision addressing the  
 382.13 individual's quality of care to children or vulnerable adults and the circumstances of the  
 382.14 individual's departure from that service.

382.15 Sec. 7. **[256.029] DOMESTIC VIOLENCE INFORMATIONAL BROCHURE.**

382.16 (a) The commissioner shall provide a domestic violence informational brochure  
 382.17 that provides information about the existence of domestic violence waivers for eligible  
 382.18 public assistance applicants to all general assistance, general assistance medical care,  
 382.19 MFIP, medical assistance, and MinnesotaCare. The brochure must explain that eligible  
 382.20 applicants may be temporarily waived from certain program requirements due to domestic  
 382.21 violence. The brochure must provide information about services and other programs to  
 382.22 help victims of domestic violence.

382.23 (b) The brochure must be funded with TANF funds.

382.24 **EFFECTIVE DATE.** This section is effective upon federal approval.

382.25 Sec. 8. **[256D.0515] ASSET LIMITATIONS FOR FOOD STAMP HOUSEHOLDS.**

382.26 All food stamp households must be determined eligible for the benefit discussed  
 382.27 under section 256.029. Food stamp households must demonstrate that:

382.28 (1) their gross income meets the federal food stamp requirements under United  
 382.29 States Code, title 7, section 2014(c); and

382.30 (2) they have financial resources, excluding vehicles, of less than \$7,000.

382.31 **EFFECTIVE DATE.** This section is effective upon federal approval.

383.1 Sec. 9. Minnesota Statutes 2004, section 256J.01, is amended by adding a subdivision  
383.2 to read:

383.3 Subd. 6. Legislative approval to move programs or activities. The commissioner  
383.4 shall not move programs or activities funded with MFIP or TANF maintenance of effort  
383.5 funds to other funding sources unless specifically approved by law.

383.6 Sec. 10. Minnesota Statutes 2004, section 256J.021, is amended to read:

383.7 **256J.021 SEPARATE STATE PROGRAM FOR USE OF STATE MONEY**  
383.8 **PROGRAMS.**

383.9 (a) Beginning ~~Until~~ October 1, 2001, 2006, and each year thereafter, the  
383.10 commissioner of human services must treat MFIP expenditures made to or on behalf of  
383.11 any minor child under section 256J.02, subdivision 2, clause (1), who is a resident of  
383.12 this state under section 256J.12, and who is part of a two-parent eligible household as  
383.13 expenditures under a separately funded state program and report those expenditures to the  
383.14 federal Department of Health and Human Services as separate state program expenditures  
383.15 under Code of Federal Regulations, title 45, section 263.5.

383.16 (b) Beginning October 1, 2006, the commissioner of human services must treat  
383.17 MFIP expenditures made to or on behalf of any minor child under section 256J.02,  
383.18 subdivision 2, clause (1), who is a resident of this state under section 256J.12, and who is  
383.19 part of a two-parent eligible household as expenditures under a separately funded state  
383.20 program. These expenditures shall not count toward the state's maintenance of effort  
383.21 (MOE) requirements under the federal TANF program except if counting certain families  
383.22 would allow the commissioner to avoid a federal penalty. Families receiving assistance  
383.23 under this section must comply with all applicable requirements in chapter 256J.

383.24 (c) Beginning October 1, 2006, and each year thereafter, the commissioner of  
383.25 human services must treat MFIP expenditures made to or on behalf of any minor child  
383.26 under section 256J.02, subdivision 2, clause (1), who is a resident of this state under  
383.27 section 256J.12, and who is part of a household participating in the work participation rate  
383.28 enhancement program under section 256J.575, as expenditures under a program funded  
383.29 with state nonmaintenance of effort funds. These expenditures shall not count toward the  
383.30 state's MOE requirements under the federal TANF program, except if counting certain  
383.31 families would allow the commissioner to avoid a federal penalty. Families receiving  
383.32 assistance under this section must comply with all applicable requirements in chapter 256J.

383.33 Sec. 11. Minnesota Statutes 2004, section 256J.08, subdivision 65, is amended to read:

384.1           Subd. 65. **Participant.** "Participant" means a person who is currently receiving cash  
384.2 assistance or the food portion available through MFIP. A person who fails to withdraw  
384.3 or access electronically any portion of the person's cash and food assistance payment by  
384.4 the end of the payment month, who makes a written request for closure before the first  
384.5 of a payment month and repays cash and food assistance electronically issued for that  
384.6 payment month within that payment month, or who returns any uncashed assistance  
384.7 check and food coupons and withdraws from the program is not a participant. A person  
384.8 who withdraws a cash or food assistance payment by electronic transfer or receives and  
384.9 cashes an MFIP assistance check or food coupons and is subsequently determined to be  
384.10 ineligible for assistance for that period of time is a participant, regardless whether that  
384.11 assistance is repaid. The term "participant" includes the caregiver relative and the minor  
384.12 child whose needs are included in the assistance payment. A person in an assistance unit  
384.13 who does not receive a cash and food assistance payment because the case has been  
384.14 suspended from MFIP is a participant. A person who receives cash payments under the  
384.15 diversionary work program under section 256J.95 is a participant. A person who receives  
384.16 cash payments under the work participation rate enhancement program under section  
384.17 256J.575 is a participant.

384.18           Sec. 12. Minnesota Statutes 2004, section 256J.37, subdivision 3a, is amended to read:

384.19           Subd. 3a. **Rental subsidies; unearned income.** (a) Effective July 1, 2003, the  
384.20 county agency shall count \$50 of the value of public and assisted rental subsidies provided  
384.21 through the Department of Housing and Urban Development (HUD) as unearned income  
384.22 to the cash portion of the MFIP grant. The full amount of the subsidy must be counted as  
384.23 unearned income when the subsidy is less than \$50. The income from this subsidy shall  
384.24 be budgeted according to section 256J.34.

384.25           (b) The provisions of this subdivision shall not apply to an MFIP assistance unit  
384.26 which includes a participant who is:

384.27           (1) age 60 or older;

384.28           (2) a caregiver who is suffering from an illness, injury, or incapacity that has been  
384.29 certified by a qualified professional when the illness, injury, or incapacity is expected  
384.30 to continue for more than 30 days and prevents the person from obtaining or retaining  
384.31 employment; or

384.32           (3) a caregiver whose presence in the home is required due to the illness or  
384.33 incapacity of another member in the assistance unit, a relative in the household, or a foster  
384.34 child in the household when the illness or incapacity and the need for the participant's

385.1 presence in the home has been certified by a qualified professional and is expected to  
385.2 continue for more than 30 days.

385.3 (c) The provisions of this subdivision shall not apply to an MFIP assistance unit  
385.4 where the parental caregiver is an SSI recipient.

385.5 (d) Prior to implementing this provision, the commissioner must identify the MFIP  
385.6 participants subject to this provision and provide written notice to these participants at  
385.7 least 30 days before the first grant reduction. The notice must inform the participant of the  
385.8 basis for the potential grant reduction, the exceptions to the provision, if any, and inform  
385.9 the participant of the steps necessary to claim an exception. A person who is found not to  
385.10 meet one of the exceptions to the provision must be notified and informed of the right to a  
385.11 fair hearing under section 256J.40. The notice must also inform the participant that the  
385.12 participant may be eligible for a rent reduction resulting from a reduction in the MFIP  
385.13 grant and encourage the participant to contact the local housing authority.

385.14 (e) This subdivision is suspended from July 1, 2006, through June 30, 2007.

385.15 Sec. 13. Minnesota Statutes 2004, section 256J.521, subdivision 1, is amended to read:

385.16 Subdivision 1. **Assessments.** (a) For purposes of MFIP employment services,  
385.17 assessment is a continuing process of gathering information related to employability for  
385.18 the purpose of identifying both participant's strengths and strategies for coping with  
385.19 issues that interfere with employment. The job counselor must use information from the  
385.20 assessment process to develop and update the employment plan under subdivision 2 or 3,  
385.21 as appropriate, ~~and~~ to determine whether the participant qualifies for a family violence  
385.22 waiver including an employment plan under subdivision 3, and to determine whether  
385.23 the participant should be referred to the work participation rate enhancement program  
385.24 under section 256J.575.

385.25 (b) The scope of assessment must cover at least the following areas:

385.26 (1) basic information about the participant's ability to obtain and retain employment,  
385.27 including: a review of the participant's education level; interests, skills, and abilities; prior  
385.28 employment or work experience; transferable work skills; child care and transportation  
385.29 needs;

385.30 (2) identification of personal and family circumstances that impact the participant's  
385.31 ability to obtain and retain employment, including: any special needs of the children, the  
385.32 level of English proficiency, family violence issues, and any involvement with social  
385.33 services or the legal system;

385.34 (3) the results of a mental and chemical health screening tool designed by the  
385.35 commissioner and results of the brief screening tool for special learning needs. Screening

386.1 tools for mental and chemical health and special learning needs must be approved by the  
386.2 commissioner and may only be administered by job counselors or county staff trained in  
386.3 using such screening tools. The commissioner shall work with county agencies to develop  
386.4 protocols for referrals and follow-up actions after screens are administered to participants,  
386.5 including guidance on how employment plans may be modified based upon outcomes  
386.6 of certain screens. Participants must be told of the purpose of the screens and how the  
386.7 information will be used to assist the participant in identifying and overcoming barriers to  
386.8 employment. Screening for mental and chemical health and special learning needs must  
386.9 be completed by participants who are unable to find suitable employment after six weeks  
386.10 of job search under subdivision 2, paragraph (b), and participants who are determined to  
386.11 have barriers to employment under subdivision 2, paragraph (d). Failure to complete the  
386.12 screens will result in sanction under section 256J.46; and

386.13 (4) a comprehensive review of participation and progress for participants who have  
386.14 received MFIP assistance and have not worked in unsubsidized employment during  
386.15 the past 12 months. The purpose of the review is to determine the need for additional  
386.16 services and supports, including placement in subsidized employment or unpaid work  
386.17 experience under section 256J.49, subdivision 13, or referral to the work participation rate  
386.18 enhancement program under section 256J.575.

386.19 (c) Information gathered during a caregiver's participation in the diversionary work  
386.20 program under section 256J.95 must be incorporated into the assessment process.

386.21 (d) The job counselor may require the participant to complete a professional chemical  
386.22 use assessment to be performed according to the rules adopted under section 254A.03,  
386.23 subdivision 3, including provisions in the administrative rules which recognize the cultural  
386.24 background of the participant, or a professional psychological assessment as a component  
386.25 of the assessment process, when the job counselor has a reasonable belief, based on  
386.26 objective evidence, that a participant's ability to obtain and retain suitable employment  
386.27 is impaired by a medical condition. The job counselor may assist the participant with  
386.28 arranging services, including child care assistance and transportation, necessary to meet  
386.29 needs identified by the assessment. Data gathered as part of a professional assessment  
386.30 must be classified and disclosed according to the provisions in section 13.46.

386.31 Sec. 14. Minnesota Statutes 2004, section 256J.521, subdivision 2, is amended to read:

386.32 Subd. 2. **Employment plan; contents.** (a) Based on the assessment under  
386.33 subdivision 1, the job counselor and the participant must develop an employment plan  
386.34 that includes participation in activities and hours that meet the requirements of section  
386.35 256J.55, subdivision 1. The purpose of the employment plan is to identify for each

387.1 participant the most direct path to unsubsidized employment and any subsequent steps that  
387.2 support long-term economic stability. The employment plan should be developed using  
387.3 the highest level of activity appropriate for the participant. Activities must be chosen from  
387.4 clauses (1) to (6), which are listed in order of preference. Notwithstanding this order of  
387.5 preference for activities, priority must be given for activities related to a family violence  
387.6 waiver when developing the employment plan. The employment plan must also list the  
387.7 specific steps the participant will take to obtain employment, including steps necessary  
387.8 for the participant to progress from one level of activity to another, and a timetable for  
387.9 completion of each step. Levels of activity include:

387.10 (1) unsubsidized employment;

387.11 (2) job search;

387.12 (3) subsidized employment or unpaid work experience;

387.13 (4) unsubsidized employment and job readiness education or job skills training;

387.14 (5) unsubsidized employment or unpaid work experience and activities related to  
387.15 a family violence waiver or preemployment needs; and

387.16 (6) activities related to a family violence waiver or preemployment needs.

387.17 (b) Participants who are determined to possess sufficient skills such that the

387.18 participant is likely to succeed in obtaining unsubsidized employment must job search at  
387.19 least 30 hours per week for up to six weeks and accept any offer of suitable employment.

387.20 The remaining hours necessary to meet the requirements of section 256J.55, subdivision

387.21 1, may be met through participation in other work activities under section 256J.49,

387.22 subdivision 13. The participant's employment plan must specify, at a minimum: (1)

387.23 whether the job search is supervised or unsupervised; (2) support services that will

387.24 be provided; and (3) how frequently the participant must report to the job counselor.

387.25 Participants who are unable to find suitable employment after six weeks must meet

387.26 with the job counselor to determine whether other activities in paragraph (a) should be

387.27 incorporated into the employment plan. Job search activities which are continued after six

387.28 weeks must be structured and supervised.

387.29 (c) Beginning July 1, 2004, activities and hourly requirements in the employment

387.30 plan may be adjusted as necessary to accommodate the personal and family circumstances

387.31 of participants identified under section 256J.561, subdivision 2, paragraph (d). Participants

387.32 who no longer meet the provisions of section 256J.561, subdivision 2, paragraph (d),

387.33 must meet with the job counselor within ten days of the determination to revise the

387.34 employment plan.

387.35 (d) Participants who are determined to have barriers to obtaining or retaining

387.36 employment that will not be overcome during six weeks of job search under paragraph (b)



388.1 must work with the job counselor to develop an employment plan that addresses those  
388.2 barriers by incorporating appropriate activities from paragraph (a), clauses (1) to (6). The  
388.3 employment plan must include enough hours to meet the participation requirements in  
388.4 section 256J.55, subdivision 1, unless a compelling reason to require fewer hours is noted  
388.5 in the participant's file.

388.6 (e) The job counselor and the participant must sign the employment plan to indicate  
388.7 agreement on the contents. Failure to develop or comply with activities in the plan, or  
388.8 voluntarily quitting suitable employment without good cause, will result in the imposition  
388.9 of a sanction under section 256J.46.

388.10 (f) Employment plans must be reviewed at least every three months to determine  
388.11 whether activities and hourly requirements should be revised. The job counselor is  
388.12 encouraged to allow participants who are participating in at least 20 hours of work  
388.13 activities to also participate in employment and training activities in order to meet the  
388.14 federal hourly participation rates.

388.15 Sec. 15. Minnesota Statutes 2004, section 256J.53, subdivision 2, is amended to read:

388.16 **Subd. 2. Approval of postsecondary education or training.** ~~(a) In order for a~~  
388.17 ~~postsecondary education or training program to be an approved activity in an employment~~  
388.18 ~~plan, the participant must be working in unsubsidized employment at least 20 hours per~~  
388.19 ~~week.~~

388.20 ~~(b)~~ (a) Participants seeking approval of a postsecondary education or training plan  
388.21 must provide documentation that:

- 388.22 (1) the employment goal can only be met with the additional education or training;  
388.23 (2) there are suitable employment opportunities that require the specific education or  
388.24 training in the area in which the participant resides or is willing to reside;  
388.25 (3) the education or training will result in significantly higher wages for the  
388.26 participant than the participant could earn without the education or training;  
388.27 (4) the participant can meet the requirements for admission into the program; and  
388.28 (5) there is a reasonable expectation that the participant will complete the training  
388.29 program based on such factors as the participant's MFIP assessment, previous education,  
388.30 training, and work history; current motivation; and changes in previous circumstances.

388.31 ~~(c)~~ (b) The hourly unsubsidized employment requirement does not apply for  
388.32 intensive education or training programs lasting 12 weeks or less when full-time  
388.33 attendance is required.

388.34 ~~(d)~~ (c) Participants with an approved employment plan in place on July 1, 2003,  
388.35 which includes more than 12 months of postsecondary education or training shall be

389.1 allowed to complete that plan provided that hourly requirements in section 256J.55,  
389.2 subdivision 1, and conditions specified in paragraph ~~(b)~~ (a), and subdivisions 3 and 5 are  
389.3 met. A participant whose case is subsequently closed for three months or less for reasons  
389.4 other than noncompliance with program requirements and who returns to MFIP shall  
389.5 be allowed to complete that plan provided that hourly requirements in section 256J.55,  
389.6 subdivision 1, and conditions specified in paragraph ~~(b)~~ (a) and subdivisions 3 and 5 are  
389.7 met.

389.8 Sec. 16. Minnesota Statutes 2004, section 256J.53, is amended by adding a subdivision  
389.9 to read:

389.10 Subd. 2a. Employment while attending postsecondary education. For the first  
389.11 12 months of education, the participant may work, but there is no work requirement.  
389.12 For the subsequent 12 months of education, the participant must work in unsubsidized  
389.13 employment at least 20 hours per week.

389.14 Sec. 17. [256J.575] WORK PARTICIPATION RATE ENHANCEMENT  
389.15 PROGRAM.

389.16 Subdivision 1. Purpose. (a) The work participation rate enhancement program  
389.17 (WORK PREP) is Minnesota's cash assistance program to serve families who are not  
389.18 making significant progress within MFIP due to a variety of barriers to employment.

389.19 (b) The goal of this program is to stabilize and improve the lives of families at risk  
389.20 of long-term welfare dependency or family instability due to employment barriers such as  
389.21 physical disability, mental disability, age, and caring for a disabled household member.  
389.22 WORK PREP provides services to promote and support families to achieve the greatest  
389.23 possible degree of self-sufficiency.

389.24 Subd. 2. Definitions. The terms used in this section have the meanings given them  
389.25 in paragraphs (a) to (d).

389.26 (a) The "work participation rate enhancement program" means the WORK PREP  
389.27 program established under this section.

389.28 (b) "Case management" means the services provided by or through the county agency  
389.29 to participating families, including assessment, information, referrals, and assistance in the  
389.30 preparation and implementation of a family stabilization plan under subdivision 5.

389.31 (c) "Family stabilization plan" means a plan developed by a case manager and  
389.32 the participant, which identifies the participant's most appropriate path to unsubsidized  
389.33 employment, family stability, and barrier reduction, taking into account the family's  
389.34 circumstances.

390.1 (d) "Family stabilization services" means programs, activities, and services in this  
390.2 section that provide participants and their family members with assistance regarding,  
390.3 but not limited to:

390.4 (1) obtaining and retaining unsubsidized employment;

390.5 (2) family stability;

390.6 (3) economic stability; and

390.7 (4) barrier reduction.

390.8 The goal of the program is to achieve the greatest degree of economic self-sufficiency  
390.9 and family well-being possible for the family under the circumstances.

390.10 Subd. 3. Eligibility. (a) The following MFIP or diversionary work program (DWP)  
390.11 participants are eligible for the program under this section:

390.12 (1) a participant identified under section 256J.561, subdivision 2, paragraph (d), who  
390.13 has or is eligible for an employment plan developed under section 256J.521, subdivision  
390.14 2, paragraph (c);

390.15 (2) a participant identified under section 256J.95, subdivision 12, paragraph (b), as  
390.16 unlikely to benefit from the diversionary work program;

390.17 (3) a participant who meets the requirements for or has been granted a hardship  
390.18 extension under section 256J.425, subdivision 2 or 3; and

390.19 (4) a participant who is applying for supplemental security income or Social Security  
390.20 disability insurance.

390.21 (b) Families must meet all other eligibility requirements for MFIP established in  
390.22 this chapter. Families are eligible for financial assistance to the same extent as if they  
390.23 were participating in MFIP.

390.24 Subd. 4. Universal participation. All caregivers must participate in family  
390.25 stabilization services as defined in subdivision 2.

390.26 Subd. 5. Case management; family stabilization plans; coordinated services. (a)  
390.27 The county agency shall provide family stabilization services to families through a case  
390.28 management model. A case manager shall be assigned to each participating family within  
390.29 30 days after the family begins to receive financial assistance as a participant of the work  
390.30 participation rate enhancement program. The case manager, with the full involvement  
390.31 of the family, shall recommend, and the county agency shall establish and modify as  
390.32 necessary, a family stabilization plan for each participating family.

390.33 (b) The family stabilization plan shall include:

390.34 (1) each participant's plan for long-term self-sufficiency, including an employment  
390.35 goal where applicable;

391.1 (2) an assessment of each participant's strengths and barriers, and any special  
391.2 circumstances of the participant's family that impact, or are likely to impact, the  
391.3 participant's progress towards the goals in the plan; and

391.4 (3) an identification of the services, supports, education, training, and  
391.5 accommodations needed to overcome any barriers to enable the family to achieve  
391.6 self-sufficiency and to fulfill each caregiver's personal and family responsibilities.

391.7 (c) The case manager and the participant must meet within 30 days of the family's  
391.8 referral to the case manager. The initial family stabilization plan shall be completed within  
391.9 30 days of the first meeting with the case manager. The case manager shall establish a  
391.10 schedule for periodic review of the family stabilization plan that includes personal contact  
391.11 with the participant at least once per month. In addition, the case manager shall review  
391.12 and modify if necessary the plan under the following circumstances:

391.13 (1) there is a lack of satisfactory progress in achieving the goals of the plan;

391.14 (2) the participant has lost unsubsidized or subsidized employment;

391.15 (3) a family member has failed to comply with a family stabilization plan  
391.16 requirement;

391.17 (4) services required by the plan are unavailable; or

391.18 (5) changes to the plan are needed to promote the well-being of the children.

391.19 (d) Family stabilization plans under this section shall be written for a period of  
391.20 time not to exceed six months.

391.21 Subd. 6. Cooperation with program requirements. (a) To be eligible, a participant  
391.22 must comply with paragraphs (b) to (f).

391.23 (b) Participants shall engage in family stabilization plan services for the appropriate  
391.24 number of hours per week based on the participant's plan, but not fewer than ten hours per  
391.25 week, provided the activities are scheduled and available, unless good cause exists for  
391.26 not doing so, as defined in section 256J.57, subdivision 1.

391.27 (c) The case manager shall review the participant's progress toward the goals in the  
391.28 family stabilization plan every six months to determine whether conditions have changed,  
391.29 including whether revisions to the plan are needed.

391.30 (d) When the participant has increased participation in work-related activities  
391.31 sufficient to meet the federal participation requirements of TANF, the county agency shall  
391.32 refer the participant to the MFIP program and assign the participant to a job counselor.  
391.33 The participant and the job counselor must meet within 15 days of referral to MFIP to  
391.34 develop an employment plan under section 256J.521. No reapplication is necessary and  
391.35 financial assistance shall continue without interruption.

392.1 (e) Participants who have not increased their participation in work activities  
392.2 sufficient to meet the federal participation requirements of TANF may request a referral to  
392.3 the MFIP program and assignment to a job counselor after 12 months in the program.

392.4 (f) A participant's requirement to comply with any or all family stabilization plan  
392.5 requirements under this subdivision shall be excused when the case management services,  
392.6 training and educational services, and family support services identified in the participant's  
392.7 family stabilization plan are unavailable for reasons beyond the control of the participant,  
392.8 including when money appropriated is not sufficient to provide the services.

392.9 Subd. 7. Sanctions. (a) The financial assistance grant of a participating family shall  
392.10 be reduced, according to section 256J.46, if a participating adult fails without good cause  
392.11 to comply or continue to comply with the family stabilization plan requirements in this  
392.12 subdivision, unless compliance has been excused under subdivision 6, paragraph (f).

392.13 (b) Given the purpose of the work participation rate enhancement program in this  
392.14 section and the nature of the underlying family circumstances that act as barriers to both  
392.15 employment and full compliance with program requirements, sanctions are appropriate  
392.16 only when it is clear that there is both the ability to comply and willful noncompliance by  
392.17 the participant, as confirmed by a behavioral health or medical professional.

392.18 (c) Prior to the imposition of a sanction, the county agency must review the  
392.19 participant's case to determine if the family stabilization plan is still appropriate and meet  
392.20 with the participant face-to-face. The participant may bring an advocate to the face-to-face  
392.21 meeting. If a face-to-face meeting is not conducted, the county agency must send the  
392.22 participant a written notice that includes the following face-to-face meeting requirements:

392.23 (1) during the face-to-face meeting, the county agency must:

392.24 (i) determine whether the continued noncompliance can be explained and mitigated  
392.25 by providing a needed family stabilization service, as defined in subdivision 2, paragraph  
392.26 (d);

392.27 (ii) determine whether the participant qualifies for a good cause exception under  
392.28 section 256J.57, or if the sanction is for noncooperation with child support requirements,  
392.29 determine if the participant qualifies for a good cause exemption under section 256.741,  
392.30 subdivision 10;

392.31 (iii) determine whether activities in the family stabilization plan are appropriate  
392.32 based on the family's circumstances;

392.33 (iv) explain the consequences of continuing noncompliance;

392.34 (v) identify other resources that may be available to the participant to meet the  
392.35 needs of the family; and

392.36 (vi) inform the participant of the right to appeal under section 256J.40; and

393.1 (2) if the lack of an identified activity or service can explain the noncompliance, the  
393.2 county must work with the participant to provide the identified activity.

393.3 (d) After the requirements of paragraph (c) are met and prior to imposition of a  
393.4 sanction, the county agency shall provide a notice of intent to sanction under section  
393.5 256J.57, subdivision 2, and, when applicable, a notice of adverse action as provided  
393.6 in section 256J.31.

393.7 (e) Section 256J.57 applies to this section except to the extent that it is modified  
393.8 by this subdivision.

393.9 Sec. 18. [256J.621] WORK PARTICIPATION BONUS.

393.10 Upon exiting the diversionary work program (DWP) or upon terminating MFIP cash  
393.11 assistance with earnings, a participant who is employed and working 24 hours a week may  
393.12 be eligible for transitional assistance of \$50 per month to assist in meeting the family's  
393.13 basic needs as the participant continues to move toward self-sufficiency.

393.14 To be eligible for a transitional assistance payment, the participant must not receive  
393.15 MFIP cash assistance or DWP assistance during the month and must be employed an  
393.16 average of at least 24 hours a week. Transitional assistance shall be available for a  
393.17 maximum of 12 months from the date the participant exited the DWP or terminated MFIP  
393.18 cash assistance.

393.19 The commissioner shall establish minimal policies and develop forms to verify  
393.20 eligibility for transitional assistance. The commissioner is authorized to change or  
393.21 modify the provisions of this section in order to comply with federal rules or regulations  
393.22 promulgated as a result of the federal Deficit Reduction Act (DEFRA) of 2005.

393.23 Expenditures on the transitional assistance program shall be maintenance of effort  
393.24 state funds. Months in which a participant receives transitional assistance under this  
393.25 section shall not count toward the participant's MFIP 60-month time limit.

393.26 Sec. 19. Minnesota Statutes 2004, section 256J.626, subdivision 1, is amended to read:

393.27 Subdivision 1. **Consolidated fund.** The consolidated fund is established to support  
393.28 counties and tribes in meeting their duties under this chapter. Counties and tribes must  
393.29 use funds from the consolidated fund to develop programs and services that are designed  
393.30 to improve participant outcomes as measured in section 256J.751, subdivision 2, and  
393.31 to provide case management services to participants of the work participation rate  
393.32 enhancement program. Counties may use the funds for any allowable expenditures under  
393.33 subdivision 2. Tribes may use the funds for any allowable expenditures under subdivision  
393.34 2, except those in clauses (1) and (6).

394.1 Sec. 20. Minnesota Statutes 2004, section 256J.626, subdivision 2, is amended to read:

394.2 Subd. 2. **Allowable expenditures.** (a) The commissioner must restrict expenditures  
394.3 under the consolidated fund to benefits and services allowed under title IV-A of the federal  
394.4 Social Security Act. Allowable expenditures under the consolidated fund may include, but  
394.5 are not limited to:

394.6 (1) short-term, nonrecurring shelter and utility needs that are excluded from the  
394.7 definition of assistance under Code of Federal Regulations, title 45, section 260.31, for  
394.8 families who meet the residency requirement in section 256J.12, subdivisions 1 and 1a.  
394.9 Payments under this subdivision are not considered TANF cash assistance and are not  
394.10 counted towards the 60-month time limit;

394.11 (2) transportation needed to obtain or retain employment or to participate in other  
394.12 approved work activities or activities under a family stabilization plan;

394.13 (3) direct and administrative costs of staff to deliver employment services for MFIP  
394.14 ~~or the diversionary work program, the DWP, or the work participation rate enhancement~~  
394.15 program; to administer financial assistance; and to provide specialized services intended  
394.16 to assist hard-to-employ participants to transition to work or transition from the work  
394.17 participation rate enhancement program to MFIP;

394.18 (4) costs of education and training including functional work literacy and English as  
394.19 a second language;

394.20 (5) cost of work supports including tools, clothing, boots, and other work-related  
394.21 expenses;

394.22 (6) county administrative expenses as defined in Code of Federal Regulations, title  
394.23 45, section 260(b);

394.24 (7) services to parenting and pregnant teens;

394.25 (8) supported work;

394.26 (9) wage subsidies;

394.27 (10) child care needed for MFIP ~~or diversionary work program, the DWP, or the~~  
394.28 work participation rate enhancement program participants to participate in social services;

394.29 (11) child care to ensure that families leaving MFIP or diversionary work program  
394.30 will continue to receive child care assistance from the time the family no longer qualifies  
394.31 for transition year child care until an opening occurs under the basic sliding fee child  
394.32 care program; ~~and~~

394.33 (12) services to help noncustodial parents who live in Minnesota and have minor  
394.34 children receiving MFIP or DWP assistance, but do not live in the same household as the  
394.35 child, obtain or retain employment; and

395.1 (13) services to help families participating in the work participation rate  
395.2 enhancement program achieve the greatest possible degree of self-sufficiency.

395.3 (b) Administrative costs that are not matched with county funds as provided in  
395.4 subdivision 8 may not exceed 7.5 percent of a county's or 15 percent of a tribe's allocation  
395.5 under this section. The commissioner shall define administrative costs for purposes of  
395.6 this subdivision.

395.7 (c) The commissioner may waive the cap on administrative costs for a county or tribe  
395.8 that elects to provide an approved supported employment, unpaid work, or community  
395.9 work experience program for a major segment of the county's or tribe's MFIP population.  
395.10 The county or tribe must apply for the waiver on forms provided by the commissioner. In  
395.11 no case shall total administrative costs exceed the TANF limits.

395.12 Sec. 21. Minnesota Statutes 2004, section 256J.626, subdivision 3, is amended to read:

395.13 Subd. 3. **Eligibility for services.** Families with a minor child, a pregnant woman,  
395.14 or a noncustodial parent of a minor child receiving assistance, with incomes below 200  
395.15 percent of the federal poverty guideline for a family of the applicable size, are eligible  
395.16 for services funded under the consolidated fund. Counties and tribes must give priority  
395.17 to families currently receiving MFIP ~~or, the diversionary work program, or the work~~  
395.18 participation rate enhancement program, and families at risk of receiving MFIP or  
395.19 diversionary work program.

395.20 Sec. 22. Minnesota Statutes 2004, section 256J.626, subdivision 4, is amended to read:

395.21 Subd. 4. **County and tribal biennial service agreements.** (a) Effective January 1,  
395.22 2004, and each two-year period thereafter, each county and tribe must have in place an  
395.23 approved biennial service agreement related to the services and programs in this chapter.  
395.24 In counties with a city of the first class with a population over 300,000, the county must  
395.25 consider a service agreement that includes a jointly developed plan for the delivery of  
395.26 employment services with the city. Counties may collaborate to develop multicounty,  
395.27 multitribal, or regional service agreements.

395.28 (b) The service agreements will be completed in a form prescribed by the  
395.29 commissioner. The agreement must include:

395.30 (1) a statement of the needs of the service population and strengths and resources  
395.31 in the community;

395.32 (2) numerical goals for participant outcomes measures to be accomplished during  
395.33 the biennial period. The commissioner may identify outcomes from section 256J.751,  
395.34 subdivision 2, as core outcomes for all counties and tribes;



396.1 (3) strategies the county or tribe will pursue to achieve the outcome targets.  
396.2 Strategies must include specification of how funds under this section will be used and may  
396.3 include community partnerships that will be established or strengthened; ~~and~~

396.4 (4) strategies the county or tribe will pursue under the work participation rate  
396.5 enhancement program; and

396.6 (5) other items prescribed by the commissioner in consultation with counties and  
396.7 tribes.

396.8 (c) The commissioner shall provide each county and tribe with information needed  
396.9 to complete an agreement, including: (1) information on MFIP cases in the county or  
396.10 tribe; (2) comparisons with the rest of the state; (3) baseline performance on outcome  
396.11 measures; and (4) promising program practices.

396.12 (d) The service agreement must be submitted to the commissioner by October 15,  
396.13 2003, and October 15 of each second year thereafter. The county or tribe must allow  
396.14 a period of not less than 30 days prior to the submission of the agreement to solicit  
396.15 comments from the public on the contents of the agreement.

396.16 (e) The commissioner must, within 60 days of receiving each county or tribal service  
396.17 agreement, inform the county or tribe if the service agreement is approved. If the service  
396.18 agreement is not approved, the commissioner must inform the county or tribe of any  
396.19 revisions needed prior to approval.

396.20 (f) The service agreement in this subdivision supersedes the plan requirements  
396.21 of section 116L.88.

396.22 Sec. 23. Minnesota Statutes 2004, section 256J.626, subdivision 5, is amended to read:

396.23 Subd. 5. **Innovation projects.** Beginning January 1, 2005, no more than \$3,000,000  
396.24 of the funds annually appropriated to the commissioner for use in the consolidated  
396.25 fund shall be available to the commissioner for projects testing innovative approaches  
396.26 to improving outcomes for MFIP participants, and persons at risk of receiving MFIP  
396.27 as detailed in subdivision 3, and for providing incentives to counties and tribes that  
396.28 exceed performance. Projects shall be targeted to geographic areas with poor outcomes  
396.29 as specified in section 256J.751, subdivision 5, or to subgroups within the MFIP case  
396.30 load who are experiencing poor outcomes. For purposes of an incentive, a county or  
396.31 tribe exceeds performance if the county or tribe is above the top of the county or tribe's  
396.32 annualized range of expected performance on the three-year self-support index under  
396.33 section 256J.751, subdivision 2, clause (6), and achieves a 50 percent MFIP participation  
396.34 rate under section 256J.751, subdivision 2, clause (7), as averaged across the four quarterly  
396.35 measurements for the most recent year for which the measurements are available.

397.1 Sec. 24. Minnesota Statutes 2005 Supplement, section 256J.626, subdivision 6,  
397.2 is amended to read:

397.3 Subd. 6. **Base allocation to counties and tribes; definitions.** (a) For purposes of  
397.4 this section, the following terms have the meanings given.

397.5 (1) "2002 historic spending base" means the commissioner's determination of  
397.6 the sum of the reimbursement related to fiscal year 2002 of county or tribal agency  
397.7 expenditures for the base programs listed in clause (6), items (i) through (iv), and earnings  
397.8 related to calendar year 2002 in the base program listed in clause (6), item (v), and the  
397.9 amount of spending in fiscal year 2002 in the base program listed in clause (6), item (vi),  
397.10 issued to or on behalf of persons residing in the county or tribal service delivery area.

397.11 (2) "Adjusted caseload factor" means a factor weighted:

397.12 (i) 47 percent on the MFIP cases in each county at four points in time in the most  
397.13 recent 12-month period for which data is available multiplied by the county's caseload  
397.14 difficulty factor; and

397.15 (ii) 53 percent on the count of adults on MFIP in each county and tribe at four points  
397.16 in time in the most recent 12-month period for which data is available multiplied by the  
397.17 county or tribe's caseload difficulty factor.

397.18 (3) "Caseload difficulty factor" means a factor determined by the commissioner for  
397.19 each county and tribe based upon the self-support index described in section 256J.751,  
397.20 subdivision 2, clause (7).

397.21 (4) "Initial allocation" means the amount potentially available to each county or tribe  
397.22 based on the formula in paragraphs (b) through (h).

397.23 (5) "Final allocation" means the amount available to each county or tribe based on  
397.24 the formula in paragraphs (b) through (h), ~~after adjustment by subdivision 7.~~

397.25 (6) "Base programs" means the:

397.26 (i) MFIP employment and training services under Minnesota Statutes 2002, section  
397.27 256J.62, subdivision 1, in effect June 30, 2002;

397.28 (ii) bilingual employment and training services to refugees under Minnesota Statutes  
397.29 2002, section 256J.62, subdivision 6, in effect June 30, 2002;

397.30 (iii) work literacy language programs under Minnesota Statutes 2002, section  
397.31 256J.62, subdivision 7, in effect June 30, 2002;

397.32 (iv) supported work program authorized in Laws 2001, First Special Session chapter  
397.33 9, article 17, section 2, in effect June 30, 2002;

34 (v) administrative aid program under section 256J.76 in effect December 31, 2002;  
397.35 and

398.1 (vi) emergency assistance program under Minnesota Statutes 2002, section 256J.48,  
398.2 in effect June 30, 2002.

398.3 (b) The commissioner shall:

398.4 (1) beginning July 1, 2003, determine the initial allocation of funds available under  
398.5 this section according to clause (2);

398.6 (2) allocate all of the funds available for the period beginning July 1, 2003, and  
398.7 ending December 31, 2004, to each county or tribe in proportion to the county's or tribe's  
398.8 share of the statewide 2002 historic spending base;

398.9 (3) determine for calendar year 2005 the initial allocation of funds to be made  
398.10 available under this section in proportion to the county or tribe's initial allocation for the  
398.11 period of July 1, 2003, to December 31, 2004;

398.12 (4) determine for calendar year 2006 the initial allocation of funds to be made  
398.13 available under this section based 90 percent on the proportion of the county or tribe's  
398.14 share of the statewide 2002 historic spending base and ten percent on the proportion of  
398.15 the county or tribe's share of the adjusted caseload factor;

398.16 (5) determine for calendar year 2007 the initial allocation of funds to be made  
398.17 available under this section based 70 percent on the proportion of the county or tribe's  
398.18 share of the statewide 2002 historic spending base and 30 percent on the proportion of the  
398.19 county or tribe's share of the adjusted caseload factor; and

398.20 (6) determine for calendar year 2008 and subsequent years the initial allocation of  
398.21 funds to be made available under this section based 50 percent on the proportion of the  
398.22 county or tribe's share of the statewide 2002 historic spending base and 50 percent on the  
398.23 proportion of the county or tribe's share of the adjusted caseload factor.

398.24 (c) With the commencement of a new or expanded tribal TANF program or an  
398.25 agreement under section 256.01, subdivision 2, paragraph (g), in which some or all of  
398.26 the responsibilities of particular counties under this section are transferred to a tribe,  
398.27 the commissioner shall:

398.28 (1) in the case where all responsibilities under this section are transferred to a tribal  
398.29 program, determine the percentage of the county's current caseload that is transferring to a  
398.30 tribal program and adjust the affected county's allocation accordingly; and

398.31 (2) in the case where a portion of the responsibilities under this section are  
398.32 transferred to a tribal program, the commissioner shall consult with the affected county or  
398.33 counties to determine an appropriate adjustment to the allocation.

398.34 ~~(d) Effective January 1, 2005, counties and tribes will have their final allocations~~  
398.35 ~~adjusted based on the performance provisions of subdivision 7.~~

399.1 **Sec. 25. [256K.60] RUNAWAY AND HOMELESS YOUTH ACT.**

399.2 **Subdivision 1. Definitions. (a) The definitions of this subdivision apply to this**  
399.3 **section.**

399.4 **(b) "Commissioner" means the commissioner of human services.**

399.5 **(c) "Homeless youth" means a person 21 years or younger who is unaccompanied**  
399.6 **by a parent or guardian and is without shelter where appropriate care and supervision are**  
399.7 **available, whose parent or legal guardian is unable or unwilling to provide shelter and**  
399.8 **care, or who lacks a fixed, regular, and adequate nighttime residence. The following are**  
399.9 **not fixed, regular, or adequate nighttime residences:**

399.10 **(1) a supervised publicly or privately operated shelter designed to provide temporary**  
399.11 **living accommodations;**

399.12 **(2) a publicly or privately operated shelter designed to provide temporary living**  
399.13 **accommodations;**

399.14 **(3) transitional housing;**

399.15 **(4) a temporary placement with a peer, friend, or family member that has not offered**  
399.16 **permanent residence, a residential lease, or temporary lodging for more than 30 days; or**

399.17 **(5) a public or private place not designed for, nor ordinarily used as, a regular**  
399.18 **sleeping accommodation for human beings.**

399.19 **Homeless youth does not include persons incarcerated or otherwise detained under**  
399.20 **federal or state law.**

399.21 **(d) "Youth at risk of homelessness" means a person 21 years or younger whose status**  
399.22 **or circumstances indicate a significant danger of experiencing homelessness in the near**  
399.23 **future. Status or circumstances that indicate a significant danger may include youth exiting**  
399.24 **out-of-home placements, youth who previously were homeless, youth whose parents or**  
399.25 **primary caregivers are or were previously homeless, youth who are exposed to abuse and**  
399.26 **neglect in their homes, youth who experience conflict with parents due to chemical or**  
399.27 **alcohol dependency, mental health disabilities, or other disabilities, and runaways.**

399.28 **(e) "Runaway" means an unmarried child under the age of 18 years who is absent**  
399.29 **from the home of a parent or guardian or other lawful placement without the consent of**  
399.30 **the parent, guardian, or lawful custodian.**

399.31 **Subd. 2. Homeless and runaway youth report. The commissioner shall develop a**  
399.32 **comprehensive report on homeless youth, youth at risk of homelessness, and runaways.**

399.33 **The commissioner shall study and report on services for homeless, runaway, and**  
399.34 **at-risk youth. The report shall include the coordination of services under subdivisions 3**  
399.35 **to 5.**

400.1 Subd. 3. Street and community outreach and drop-in program. Youth drop-in  
 400.2 centers must provide walk-in access to crisis intervention and ongoing supportive services  
 400.3 including one-to-one case management services on a self-referral basis. Street and  
 400.4 community outreach programs must locate, contact, and provide information, referrals,  
 400.5 and services to homeless youth, youth at risk of homelessness, and runaways. Information,  
 400.6 referrals, and services provided may include, but are not limited to:

- 400.7 (1) family reunification services;  
 400.8 (2) conflict resolution or mediation counseling;  
 400.9 (3) assistance in obtaining temporary emergency shelter;  
 400.10 (4) assistance in obtaining food, clothing, medical care, or mental health counseling;  
 400.11 (5) counseling regarding violence, prostitution, substance abuse, sexually transmitted  
 400.12 diseases, and pregnancy;  
 400.13 (6) referrals to other agencies that provide support to services to homeless youth,  
 400.14 youth at risk of homelessness, and runaways;  
 400.15 (7) assistance with education, employment, and independent living skills;  
 400.16 (8) after-care services;  
 400.17 (9) specialized services for highly vulnerable runaways and homeless youth,  
 400.18 including teen parents, emotionally disturbed and mentally ill youth, and sexually  
 400.19 exploited youth; and  
 400.20 (10) homelessness prevention.

400.21 Subd. 4. Emergency shelter program. (a) Emergency shelter programs must  
 400.22 provide homeless youth and runaways with referral and walk-in access to emergency,  
 400.23 short-term residential care. The program shall provide homeless youth and runaways with  
 400.24 safe, dignified shelter, including private shower facilities, beds, and at least one meal each  
 400.25 day, and shall assist a runaway with reunification with the family or legal guardian when  
 400.26 required or appropriate.

- 400.27 (b) The services provided at emergency shelters may include, but are not limited to:  
 400.28 (1) family reunification services;  
 400.29 (2) individual, family, and group counseling;  
 400.30 (3) assistance obtaining clothing;  
 400.31 (4) access to medical and dental care and mental health counseling;  
 400.32 (5) education and employment services;  
 400.33 (6) recreational activities;  
 400.34 (7) advocacy and referral services;  
 400.35 (8) independent living skills training;  
 400.36 (9) after-care and follow-up services;

401.1 (10) transportation; and

401.2 (11) homelessness prevention.

401.3 Subd. 5. Supportive housing and transitional living programs. Transitional  
 401.4 living programs must help homeless youth and youth at risk of homelessness to find and  
 401.5 maintain safe, dignified housing. The program may also provide rental assistance and  
 401.6 related supportive services, or refer youth to other organizations or agencies that provide  
 401.7 such services. Services provided may include, but are not limited to:

401.8 (1) educational assessment and referrals to educational programs;

401.9 (2) career planning, employment, work skill training, and independent living skills  
 401.10 training;

401.11 (3) job placement;

401.12 (4) budgeting and money management;

401.13 (5) assistance in securing housing appropriate to needs and income;

401.14 (6) counseling regarding violence, prostitution, substance abuse, sexually transmitted  
 401.15 diseases, and pregnancy;

401.16 (7) referral for medical services or chemical dependency treatment;

401.17 (8) parenting skills;

401.18 (9) self-sufficiency support services or life skill training;

401.19 (10) after-care and follow-up services; and

401.20 (11) homelessness prevention.

401.21 **Sec. 26. [259.86] POSTADOPTION SEARCH SERVICES.**

401.22 (a) The commissioner of human services shall develop a specialized curriculum  
 401.23 to train department, county agency, and social service agency staff in performing and  
 401.24 complying with the postadoption search services developed in the best practices guidelines  
 401.25 reported to the legislature in 2006.

401.26 (b) All department and county social service agency staff providing postadoption  
 401.27 search services, shall complete six hours of postadoption search services training as a  
 401.28 specialized curriculum of the child welfare training.

401.29 (c) All private agency staff providing postadoption search services shall complete at  
 401.30 least six hours of postadoption search services training.

401.31 **Sec. 27. Minnesota Statutes 2004, section 259.87, is amended to read:**

401.32 **259.87 RULES.**

401.33 **The commissioner of human services shall make rules as necessary to administer**  
 401.34 **sections 259.79 and, 259.83, and 259.86.**

402.1 Sec. 28. Minnesota Statutes 2004, section 518.551, subdivision 7, is amended to read:

402.2 Subd. 7. ~~Fees and cost recovery fees for IV-D services.~~ (a) When a recipient of  
402.3 IV-D services is no longer receiving assistance under the state's title IV-A, IV-E foster  
402.4 care, medical assistance, or MinnesotaCare programs, the public authority responsible  
402.5 for child support enforcement must notify the recipient, within five working days of the  
402.6 notification of ineligibility, that IV-D services will be continued unless the public authority  
402.7 is notified to the contrary by the recipient. The notice must include the implications  
402.8 of continuing to receive IV-D services, including the available services and fees, cost  
402.9 recovery fees, and distribution policies relating to fees.

402.10 (b) An application fee of \$25 shall be paid by the person who applies for child  
402.11 support and maintenance collection services, except persons who are receiving public  
402.12 assistance as defined in section 256.741 and, ~~if enacted,~~ the diversionary work program  
402.13 under section 256J.95, persons who transfer from public assistance to nonpublic assistance  
402.14 status, and minor parents and parents enrolled in a public secondary school, area learning  
402.15 center, or alternative learning program approved by the commissioner of education.

402.16 (c) In the case of an individual who has never received assistance under a state  
402.17 program funded under Title IV-A of the Social Security Act and for whom the public  
402.18 authority has collected at least \$500 of support, the public authority must impose an  
402.19 annual federal collections fee of \$25 for each case in which services are furnished. This  
402.20 fee must be retained by the public authority from support collected on behalf of the  
402.21 individual, but not from the first \$500 collected.

402.22 (d) When the public authority provides full IV-D services to an obligee who has  
402.23 applied for those services, upon written notice to the obligee, the public authority must  
402.24 charge a cost recovery fee of one percent of the amount collected. This fee must be  
402.25 deducted from the amount of the child support and maintenance collected and not assigned  
402.26 under section 256.741 before disbursement to the obligee. This fee does not apply to an  
402.27 obligee who:

402.28 (1) is currently receiving assistance under the state's title IV-A, IV-E foster care,  
402.29 medical assistance, or MinnesotaCare programs; or

402.30 (2) has received assistance under the state's title IV-A or IV-E foster care programs,  
402.31 until the person has not received this assistance for 24 consecutive months.

402.32 ~~(d)~~ (e) When the public authority provides full IV-D services to an obligor who has  
402.33 applied for such services, upon written notice to the obligor, the public authority must  
402.34 charge a cost recovery fee of one percent of the monthly court-ordered child support and  
402.35 maintenance obligation. The fee may be collected through income withholding, as well

403.1 as by any other enforcement remedy available to the public authority responsible for  
 403.2 child support enforcement.

403.3 ~~(e)~~ (f) Fees assessed by state and federal tax agencies for collection of overdue  
 403.4 support owed to or on behalf of a person not receiving public assistance must be imposed  
 403.5 on the person for whom these services are provided. The public authority upon written  
 403.6 notice to the obligee shall assess a fee of \$25 to the person not receiving public assistance  
 403.7 for each successful federal tax interception. The fee must be withheld prior to the release  
 403.8 of the funds received from each interception and deposited in the general fund.

403.9 ~~(f)~~ (g) Federal collections fees collected under paragraph (c) and cost recovery fees  
 403.10 collected under paragraphs ~~(c)~~ and (d) and (e) shall be considered child support program  
 403.11 income according to Code of Federal Regulations, title 45, section 304.50, and shall  
 403.12 be deposited in the ~~cost recovery fee~~ special revenue fund account established under  
 403.13 paragraph ~~(h)~~ (i). The commissioner of human services must elect to recover costs based  
 403.14 on either actual or standardized costs.

403.15 ~~(g)~~ (h) The limitations of this subdivision on the assessment of fees shall not apply  
 403.16 to the extent inconsistent with the requirements of federal law for receiving funds for the  
 403.17 programs under Title IV-A and Title IV-D of the Social Security Act, United States Code,  
 403.18 title 42, sections 601 to 613 and United States Code, title 42, sections 651 to 662.

403.19 ~~(h)~~ (i) The commissioner of human services is authorized to establish a special  
 403.20 revenue fund account to receive ~~child support~~ the federal collections fees collected under  
 403.21 paragraph (c) and cost recovery fees collected under paragraphs (d) and (e). A portion of  
 403.22 the nonfederal share of these fees may be retained for expenditures necessary to administer  
 403.23 the ~~fee~~ fees and must be transferred to the child support system special revenue account.  
 403.24 The remaining nonfederal share of the federal collections fees and cost recovery ~~fee~~ fees  
 403.25 must be retained by the commissioner and dedicated to the child support general fund  
 403.26 county performance-based grant account authorized under sections 256.979 and 256.9791.

403.27 **EFFECTIVE DATE.** This section is effective October 1, 2006, or later if the  
 403.28 commissioner determines that a later implementation will not result in federal fiscal  
 403.29 penalties.

403.30 Sec. 29. Laws 2005, First Special Session chapter 4, article 7, section 59, is amended  
 403.31 to read:

32 **Sec. 59. REPORT TO LEGISLATURE.**

403.33 The commissioner shall report to the legislature by December 15, 2006, on the  
 403.34 redesign of case management services. In preparing the report, the commissioner  
 403.35 shall consult with representatives for consumers, consumer advocates, counties, labor



404.1 organizations representing county social service workers, and service providers. The  
404.2 report shall include draft legislation for case management changes that will:

404.3 (1) streamline administration;

404.4 (2) improve consumer access to case management services;

404.5 (3) address the use of a comprehensive universal assessment protocol for persons  
404.6 seeking community supports;

404.7 (4) establish case management performance measures;

404.8 (5) provide for consumer choice of the case management service vendor; and

404.9 (6) provide a method of payment for case management services that is cost-effective  
404.10 and best supports the draft legislation in clauses (1) to (5).

404.11 **EFFECTIVE DATE. This section is effective the day following final enactment.**

404.12 **Sec. 30. IMPACT ON REDUCED MEDICAID REIMBURSEMENTS.**

404.13 The commissioner of human services shall report to the chair of the house Health  
404.14 Policy and Finance Committee and the chairs of the senate Health and Family Security  
404.15 Committee and Health and Human Services Budget Division by December 1, 2006, on the  
404.16 impact of reduced Medicaid reimbursements resulting from the federal Deficit Reduction  
404.17 Act of 2005. The report shall include options to restore lost revenues and ensure the  
404.18 continuation of targeted case management and other affected social services.

404.19 **Sec. 31. COMMISSIONER AUTHORITY TO PROVIDE GUIDANCE ON**  
404.20 **FEDERAL REGULATIONS.**

404.21 The commissioner shall provide guidance to counties and tribes as necessary to  
404.22 comply with TANF regulations issued pursuant to Public Law 109-171.

404.23 **Sec. 32. PARENT FEE SCHEDULE.**

404.24 Notwithstanding Minnesota Rules, part 3400.0100, subpart 4, the parent fee  
404.25 schedule for the child care assistance program is as follows:

404.26 <u>Income Range (as a percent of the federal</u> 404.27 <u>poverty guidelines)</u>	404.26 <u>Co-payment (as a percentage of adjusted</u> 404.27 <u>gross income)</u>
404.28 <u>0-74.99%</u>	404.28 <u>\$0/month</u>
404.29 <u>75.00-99.99%</u>	404.29 <u>\$5/month</u>
404.30 <u>100.00-104.99%</u>	404.30 <u>2.61%</u>
404.31 <u>105.00-109.99%</u>	404.31 <u>2.61%</u>

405.1	<u>110.00-114.99%</u>	<u>2.61%</u>
405.2	<u>115.00-119.99%</u>	<u>2.61%</u>
405.3	<u>120.00-124.99%</u>	<u>2.91%</u>
405.4	<u>125.00-129.99%</u>	<u>2.91%</u>
405.5	<u>130.00-134.99%</u>	<u>2.91%</u>
405.6	<u>135.00-139.99%</u>	<u>2.91%</u>
405.7	<u>140.00-144.99%</u>	<u>3.21%</u>
405.8	<u>145.00-149.99%</u>	<u>3.21%</u>
405.9	<u>150.00-154.99%</u>	<u>3.21%</u>
405.10	<u>155.00-159.99%</u>	<u>3.84%</u>
405.11	<u>160.00-164.99%</u>	<u>3.84%</u>
405.12	<u>165.00-169.99%</u>	<u>4.46%</u>
405.13	<u>170.00-174.99%</u>	<u>4.76%</u>
405.14	<u>175.00-179.99%</u>	<u>5.05%</u>
405.15	<u>180.00-184.99%</u>	<u>5.65%</u>
405.16	<u>185.00-189.99%</u>	<u>5.95%</u>
405.17	<u>190.00-194.99%</u>	<u>6.24%</u>
405.18	<u>195.00-199.99%</u>	<u>6.84%</u>
5.19	<u>200.00-204.99%</u>	<u>7.58%</u>
405.20	<u>205.00-209.99%</u>	<u>8.33%</u>
405.21	<u>210.00-214.99%</u>	<u>9.20%</u>
405.22	<u>215.00-219.99%</u>	<u>10.07%</u>
405.23	<u>220.00-224.99%</u>	<u>10.94%</u>
405.24	<u>225.00-229.99%</u>	<u>11.55%</u>
405.25	<u>230.00-234.99%</u>	<u>12.16%</u>
405.26	<u>235.00-239.99%</u>	<u>12.77%</u>
405.27	<u>240.00-244.99%</u>	<u>13.38%</u>
405.28	<u>245.00-249.99%</u>	<u>14.00%</u>
405.29	<u>250%</u>	<u>ineligible</u>

406.1 A family's monthly co-payment fee is the fixed percentage established for the  
406.2 income range multiplied by the highest possible income within that income range.

406.3 **EFFECTIVE DATE.** This section is effective July 1, 2006.

406.4 Sec. 33. **REPEALER.**

406.5 (a) Minnesota Statutes 2004, section 256J.626, subdivision 9, and Minnesota  
406.6 Statutes 2005 Supplement, sections 119B.13, subdivision 7; and 256J.626, subdivision  
406.7 7, are repealed.

406.8 (b) Laws 2003, First Special Session chapter 14, article 9, section 36, is repealed.

## 406.9 **ARTICLE 25**

### 406.10 **MENTAL HEALTH AND CHEMICAL HEALTH**

406.11 Section 1. Minnesota Statutes 2004, section 245.465, is amended by adding a  
406.12 subdivision to read:

406.13 Subd. 3. **Responsibility not duplicated.** For individuals who have health care  
406.14 coverage, the county board is not responsible for providing mental health services which  
406.15 are covered by the entity that administers the health care coverage.

406.16 Sec. 2. **[245.4682] MENTAL HEALTH SERVICE DELIVERY AND FINANCE**  
406.17 **REFORM.**

406.18 Subdivision 1. **Policy.** The commissioner of human services shall undertake a series  
406.19 of reforms to improve the underlying structural, financing, and organizational problems  
406.20 in Minnesota's mental health system with the goal of improving the availability, quality,  
406.21 and accountability of mental health care within the state.

406.22 Subd. 2. **General provisions.** In the design and implementation of reforms to the  
406.23 mental health system, the commissioner shall:

406.24 (1) consult with consumers, families, counties, tribes, advocates, providers, and  
406.25 other stakeholders;

406.26 (2) bring to the legislature, and the state Mental Health Advisory Council by January  
406.27 15, 2007, recommendations for legislation to update the role of counties and to clarify the  
406.28 case management roles and functions of health plans and counties;

406.29 (3) ensure continuity of care for persons affected by these reforms including:

406.30 (i) ensuring client choice of provider by requiring broad provider networks;

406.31 (ii) allowing clients options to maintain previously established therapeutic  
406.32 relationships; and

407.1 (iii) developing mechanisms to facilitate a smooth transition of service  
407.2 responsibilities;  
407.3 (4) provide accountability for the efficient and effective use of public and private  
407.4 resources in achieving positive outcomes for consumers;  
407.5 (5) ensure client access to applicable protections and appeals; and  
407.6 (6) make budget transfers that do not increase the state and county costs to  
407.7 effectively implement improvements to the mental health system and efficiently allocate  
407.8 state funds. When making transfers necessary to implement movement of responsibility  
407.9 for clients and services between counties and health care programs, the commissioner,  
407.10 in consultation with counties, shall ensure that any transfer of state grants to health  
407.11 care programs, including the value of case management transfer grants under section  
407.12 256B.0625, subdivision 20, does not exceed the value of the services being transferred  
407.13 for the latest 12-month period for which data is available. The commissioner may make  
407.14 quarterly adjustments based on the availability of additional data during the first four  
407.15 quarters after the transfers first occur.

407.16 Subd. 3. Regional projects for coordination of care. (a) Consistent with section  
407.17 256B.69 and chapters 256D and 256L, the commissioner is authorized to solicit, approve,  
407.18 and implement regional projects to demonstrate the integration of physical and mental  
407.19 health services within prepaid health plans and their coordination with social services. The  
407.20 commissioner, in consultation with consumers, families, and their representatives, shall:

407.21 (1) determine criteria for approving the regional projects and use those criteria to  
407.22 solicit regional proposals for integrated service networks;

407.23 (2) require that each project be based on locally defined partnerships that include  
407.24 at least one health maintenance organization, community integrated service network, or  
407.25 accountable provider network authorized and operating under chapter 62D, 62N, or 62T,  
407.26 or county-based purchasing entity under section 256B.692 that is eligible to contract with  
407.27 the commissioner as a prepaid health plan, and the county or counties within the region;

407.28 (3) allow potential bidders at least 90 days to respond to the request for proposals;

407.29 (4) waive any administrative rule not consistent with the implementation of the  
407.30 regional projects; and

407.31 (5) begin implementation of the regional projects no earlier than January 1, 2008,  
407.32 with not more than 20 percent of the statewide population described in paragraph (b)  
407.33 included during calendar year 2008 and additional individuals included in subsequent  
407.34 years.

407.35 (b) Notwithstanding any statute or administrative rule to the contrary, the  
407.36 commissioner shall enroll all medical assistance eligible persons with serious and

408.1 persistent mental illness or severe emotional disturbance in the prepaid plan of their choice  
408.2 within the project region unless:

408.3 (1) an individual has another basis for exclusion from the prepaid plan under section  
408.4 256B.69, subdivision 4;

408.5 (2) an individual has a previously established therapeutic relationship with a  
408.6 provider who is not included in the available prepaid plans; or

408.7 (3) the service the individual wishes to use is not included in the available prepaid  
408.8 plans.

408.9 (c) If the person with serious and persistent mental illness or severe emotional  
408.10 disturbance declines to choose a plan, the commissioner may preferentially assign  
408.11 that person to the prepaid plan participating in the integrated service network. The  
408.12 commissioner shall implement the enrollment changes within a regional project on the  
408.13 timeline specified in that region's approved application.

408.14 (d) The commissioner, in consultation with consumers, families, and their  
408.15 representatives, shall evaluate the regional projects begun in 2008, and shall refine the  
408.16 design of the regional service integration projects before expanding beyond the 20  
408.17 percent of the statewide population and expanding the number of regions engaged in the  
408.18 demonstration projects as additional qualified applicant partnerships present themselves.

408.19 (e) The commissioner shall apply for any federal waivers necessary to implement  
408.20 these changes.

408.21 **Sec. 3. [245.4835] COUNTY MAINTENANCE OF EFFORT.**

408.22 Subdivision 1. Required expenditures. Counties must maintain a level of  
408.23 expenditures for mental health services under sections 245.461 to 245.484 and 245.487 to  
408.24 245.4887 so that each year's county expenditures are at least equal to that county's average  
408.25 expenditures for those services for calendar years 2004 and 2005. The commissioner will  
408.26 adjust each county's base level for minimum expenditures in each year by the amount of  
408.27 any increase or decrease in that county's state grants or other noncounty revenues for  
408.28 mental health services under sections 245.461 to 245.484 and 245.487 to 245.4887.

408.29 Subd. 2. Failure to maintain expenditures. If a county does not comply with  
408.30 subdivision 1, the commissioner shall require the county to develop a corrective action plan  
408.31 according to a format and timeline established by the commissioner. If the commissioner  
408.32 determines that a county has not developed an acceptable corrective action plan within  
408.33 the required timeline, or that the county is not in compliance with an approved corrective  
408.34 action plan, the protections provided to that county under section 245.485 do not apply.

409.1 Sec. 4. Minnesota Statutes 2005 Supplement, section 245.4874, is amended to read:

409.2 **245.4874 DUTIES OF COUNTY BOARD.**

409.3 **Subdivision 1. Duties of the county board.** (a) The county board must:

409.4 (1) develop a system of affordable and locally available children's mental health  
409.5 services according to sections 245.487 to 245.4887;

409.6 (2) establish a mechanism providing for interagency coordination as specified in  
409.7 section 245.4875, subdivision 6;

409.8 (3) consider the assessment of unmet needs in the county as reported by the local  
409.9 children's mental health advisory council under section 245.4875, subdivision 5, paragraph  
409.10 (b), clause (3). The county shall provide, upon request of the local children's mental health  
409.11 advisory council, readily available data to assist in the determination of unmet needs;

409.12 (4) assure that parents and providers in the county receive information about how to  
409.13 gain access to services provided according to sections 245.487 to 245.4887;

409.14 (5) coordinate the delivery of children's mental health services with services  
409.15 provided by social services, education, corrections, health, and vocational agencies to  
409.16 improve the availability of mental health services to children and the cost-effectiveness of  
409.17 their delivery;

409.18 (6) assure that mental health services delivered according to sections 245.487  
409.19 to 245.4887 are delivered expeditiously and are appropriate to the child's diagnostic  
409.20 assessment and individual treatment plan;

409.21 (7) provide the community with information about predictors and symptoms of  
409.22 emotional disturbances and how to access children's mental health services according to  
409.23 sections 245.4877 and 245.4878;

409.24 (8) provide for case management services to each child with severe emotional  
409.25 disturbance according to sections 245.486; 245.4871, subdivisions 3 and 4; and 245.4881,  
409.26 subdivisions 1, 3, and 5;

409.27 (9) provide for screening of each child under section 245.4885 upon admission  
409.28 to a residential treatment facility, acute care hospital inpatient treatment, or informal  
409.29 admission to a regional treatment center;

409.30 (10) prudently administer grants and purchase-of-service contracts that the county  
409.31 board determines are necessary to fulfill its responsibilities under sections 245.487 to  
409.32 245.4887;

409.33 (11) assure that mental health professionals, mental health practitioners, and case  
409.34 managers employed by or under contract to the county to provide mental health services  
409.35 are qualified under section 245.4871;

410.1 (12) assure that children's mental health services are coordinated with adult mental  
410.2 health services specified in sections 245.461 to 245.486 so that a continuum of mental  
410.3 health services is available to serve persons with mental illness, regardless of the person's  
410.4 age;

410.5 (13) assure that culturally informed mental health consultants are used as necessary  
410.6 to assist the county board in assessing and providing appropriate treatment for children of  
410.7 cultural or racial minority heritage; and

410.8 (14) consistent with section 245.486, arrange for or provide a children's mental  
410.9 health screening to a child receiving child protective services or a child in out-of-home  
410.10 placement, a child for whom parental rights have been terminated, a child found to be  
410.11 delinquent, and a child found to have committed a juvenile petty offense for the third or  
410.12 subsequent time, unless a screening has been performed within the previous 180 days, or  
410.13 the child is currently under the care of a mental health professional. The court or county  
410.14 agency must notify a parent or guardian whose parental rights have not been terminated of  
410.15 the potential mental health screening and the option to prevent the screening by notifying  
410.16 the court or county agency in writing. The screening shall be conducted with a screening  
410.17 instrument approved by the commissioner of human services according to criteria that  
410.18 are updated and issued annually to ensure that approved screening instruments are valid  
410.19 and useful for child welfare and juvenile justice populations, and shall be conducted  
410.20 by a mental health practitioner as defined in section 245.4871, subdivision 26, or a  
410.21 probation officer or local social services agency staff person who is trained in the use of  
410.22 the screening instrument. Training in the use of the instrument shall include training in the  
410.23 administration of the instrument, the interpretation of its validity given the child's current  
410.24 circumstances, the state and federal data practices laws and confidentiality standards, the  
410.25 parental consent requirement, and providing respect for families and cultural values.  
410.26 If the screen indicates a need for assessment, the child's family, or if the family lacks  
410.27 mental health insurance, the local social services agency, in consultation with the child's  
410.28 family, shall have conducted a diagnostic assessment, including a functional assessment,  
410.29 as defined in section 245.4871. The administration of the screening shall safeguard the  
410.30 privacy of children receiving the screening and their families and shall comply with the  
410.31 Minnesota Government Data Practices Act, chapter 13, and the federal Health Insurance  
410.32 Portability and Accountability Act of 1996, Public Law 104-191. Screening results shall be  
410.33 considered private data and the commissioner shall not collect individual screening results.

410.34 (b) When the county board refers clients to providers of children's therapeutic  
410.35 services and supports under section 256B.0943, the county board must clearly identify  
410.36 the desired services components not covered under section 256B.0943 and identify the

411.1 reimbursement source for those requested services, the method of payment, and the  
 411.2 payment rate to the provider.

411.3 Subd. 2. Responsibility not duplicated. For individuals that have health care  
 411.4 coverage, the county board is not responsible for providing mental health services which  
 411.5 are covered by the entity which administers the health care coverage.

411.6 Sec. 5. [245.4889] CHILDREN'S MENTAL HEALTH GRANTS.

411.7 Subdivision 1. Establishment and authority. The commissioner is authorized to  
 411.8 make grants from available appropriations to assist counties, Indian tribes, children's  
 411.9 collaboratives under section 124D.23 or 245.493, or mental health service providers for  
 411.10 providing services to children with emotional disturbances as defined in section 245.4871,  
 411.11 subdivision 15, and their families; and to young adults meeting the criteria for transition  
 411.12 services in section 245.4875, subdivision 8, and their families. Services must be designed  
 411.13 to help each child to function and remain with the child's family in the community and  
 411.14 delivered consistent with the child's treatment plan. Transition services to eligible young  
 411.15 adults must be designed to foster independent living in the community.

411.16 Subd. 2. Grant application and reporting requirements. To apply for a grant  
 411.17 an applicant organization shall submit an application and budget for the use of the  
 411.18 money in the form specified by the commissioner. The commissioner shall make grants  
 411.19 only to entities whose applications and budgets are approved by the commissioner. In  
 411.20 awarding grants, the commissioner shall give priority to applications that indicate plans  
 411.21 to collaborate in the development, funding, and delivery of services with other agencies  
 411.22 in the local system of care. The commissioner shall specify requirements for reports,  
 411.23 including quarterly fiscal reports, according to section 256.01, subdivision 2, paragraph  
 411.24 (q). The commissioner shall require collection of data and periodic reports that the  
 411.25 commissioner deems necessary to demonstrate the effectiveness of each service.

411.26 Sec. 6. Minnesota Statutes 2004, section 245.50, subdivision 1, is amended to read:

411.27 Subdivision 1. **Definitions.** For purposes of this section, the following terms have  
 411.28 the meanings given them.

411.29 (a) "Bordering state" means Iowa, North Dakota, South Dakota, or Wisconsin.

411.30 (b) "Receiving agency" means a public or private hospital, mental health center,  
 411.31 chemical health treatment facility, or other person or organization which provides mental  
 411.32 health or chemical health services under this section to individuals from a state other than  
 411.33 the state in which the agency is located.

411.34 (c) "Receiving state" means the state in which a receiving agency is located.



412.1 (d) "Sending agency" means a state or county agency which sends an individual to a  
412.2 bordering state for treatment under this section.

412.3 (e) "Sending state" means the state in which the sending agency is located.

412.4 Sec. 7. Minnesota Statutes 2004, section 245.50, subdivision 2, is amended to read:

412.5 Subd. 2. **Purpose and authority.** (a) The purpose of this section is to enable  
412.6 appropriate treatment to be provided to individuals, across state lines from the individual's  
412.7 state of residence, in qualified facilities that are closer to the homes of individuals than are  
412.8 facilities available in the individual's home state.

412.9 (b) Unless prohibited by another law and subject to the exceptions listed in  
412.10 subdivision 3, a county board or the commissioner of human services may contract with  
412.11 an agency or facility in a bordering state for mental health or chemical health services  
412.12 for residents of Minnesota, and a Minnesota mental health or chemical health agency  
412.13 or facility may contract to provide services to residents of bordering states. Except as  
412.14 provided in subdivision 5, a person who receives services in another state under this  
412.15 section is subject to the laws of the state in which services are provided. A person who will  
412.16 receive services in another state under this section must be informed of the consequences  
412.17 of receiving services in another state, including the implications of the differences in state  
412.18 laws, to the extent the individual will be subject to the laws of the receiving state.

412.19 Sec. 8. Minnesota Statutes 2004, section 245.50, subdivision 5, is amended to read:

412.20 Subd. 5. **Special contracts; bordering states.** (a) An individual who is detained,  
412.21 committed, or placed on an involuntary basis under chapter 253B may be confined or  
412.22 treated in a bordering state pursuant to a contract under this section. An individual who is  
412.23 detained, committed, or placed on an involuntary basis under the civil law of a bordering  
412.24 state may be confined or treated in Minnesota pursuant to a contract under this section. A  
412.25 peace or health officer who is acting under the authority of the sending state may transport  
412.26 an individual to a receiving agency that provides services pursuant to a contract under  
412.27 this section and may transport the individual back to the sending state under the laws  
412.28 of the sending state. Court orders valid under the law of the sending state are granted  
412.29 recognition and reciprocity in the receiving state for individuals covered by a contract  
412.30 under this section to the extent that the court orders relate to confinement for treatment  
412.31 or care of mental illness or chemical dependency. Such treatment or care may address  
412.32 other conditions that may be co-occurring with the mental illness or chemical dependency.  
412.33 These court orders are not subject to legal challenge in the courts of the receiving state.  
412.34 Individuals who are detained, committed, or placed under the law of a sending state and

413.1 who are transferred to a receiving state under this section continue to be in the legal  
413.2 custody of the authority responsible for them under the law of the sending state. Except  
413.3 in emergencies, those individuals may not be transferred, removed, or furloughed from  
413.4 a receiving agency without the specific approval of the authority responsible for them  
413.5 under the law of the sending state.

413.6 (b) While in the receiving state pursuant to a contract under this section, an  
413.7 individual shall be subject to the sending state's laws and rules relating to length of  
413.8 confinement, reexaminations, and extensions of confinement. No individual may be sent  
413.9 to another state pursuant to a contract under this section until the receiving state has  
413.10 enacted a law recognizing the validity and applicability of this section.

413.11 (c) If an individual receiving services pursuant to a contract under this section leaves  
413.12 the receiving agency without permission and the individual is subject to involuntary  
413.13 confinement under the law of the sending state, the receiving agency shall use all  
413.14 reasonable means to return the individual to the receiving agency. The receiving agency  
413.15 shall immediately report the absence to the sending agency. The receiving state has the  
413.16 primary responsibility for, and the authority to direct, the return of these individuals  
413.17 within its borders and is liable for the cost of the action to the extent that it would be  
413.18 liable for costs of its own resident.

413.19 (d) Responsibility for payment for the cost of care remains with the sending agency.

413.20 (e) This subdivision also applies to county contracts under subdivision 2 which  
413.21 include emergency care and treatment provided to a county resident in a bordering state.

413.22 Sec. 9. Minnesota Statutes 2004, section 245.94, subdivision 1, is amended to read:

413.23 Subdivision 1. **Powers.** (a) The ombudsman may prescribe the methods by which  
413.24 complaints to the office are to be made, reviewed, and acted upon. The ombudsman may  
413.25 not levy a complaint fee.

413.26 (b) The ombudsman may mediate or advocate on behalf of a client.

413.27 (c) The ombudsman may investigate the quality of services provided to clients and  
413.28 determine the extent to which quality assurance mechanisms within state and county  
413.29 government work to promote the health, safety, and welfare of clients, other than clients  
413.30 in acute care facilities who are receiving services not paid for by public funds. The  
413.31 ombudsman office is a health oversight agency as defined in Code of Federal Regulations,  
413.32 title 45, section 164.501.

413.33 (d) At the request of a client, or upon receiving a complaint or other information  
413.34 affording reasonable grounds to believe that the rights of a client who is not capable  
413.35 of requesting assistance have been adversely affected, the ombudsman may gather

414.1 information about and analyze, on behalf of the client, the actions of an agency, facility, or  
414.2 program.

414.3 (e) The ombudsman may examine, on behalf of a client, records of an agency,  
414.4 facility, or program if the records relate to a matter that is within the scope of the  
414.5 ombudsman's authority. If the records are private and the client is capable of providing  
414.6 consent, the ombudsman shall first obtain the client's consent. The ombudsman is not  
414.7 required to obtain consent for access to private data on clients with mental retardation or a  
414.8 related condition. The ombudsman is not required to obtain consent for access to private  
414.9 data on decedents who were receiving services for mental illness, mental retardation or a  
414.10 related condition, or emotional disturbance.

414.11 (f) The ombudsman may subpoena a person to appear, give testimony, or produce  
414.12 documents or other evidence that the ombudsman considers relevant to a matter under  
414.13 inquiry. If the subpoena is directed to a government entity governed by chapter 13, the  
414.14 government entity must respond to the subpoena, notwithstanding Minnesota Rules, part  
414.15 1205.0100, subpart 5. The ombudsman may petition the appropriate Ramsey County  
414.16 District Court to enforce the subpoena. A witness who is at a hearing or is part of an  
414.17 investigation possesses the same privileges that a witness possesses in the courts or under  
414.18 the law of this state. Data obtained from a person under this paragraph are private data as  
414.19 defined in section 13.02, subdivision 12, or nonpublic data as defined in section 13.02,  
414.20 subdivision 9.

414.21 (g) The ombudsman may, at reasonable times in the course of conducting a review,  
414.22 enter and view premises within the control of an agency, facility, or program.

414.23 (h) The ombudsman may attend Department of Human Services Review Board  
414.24 and Special Review Board proceedings; proceedings regarding the transfer of patients  
414.25 or residents, as defined in section 246.50, subdivisions 4 and 4a, between institutions  
414.26 operated by the Department of Human Services; and, subject to the consent of the affected  
414.27 client, other proceedings affecting the rights of clients. The ombudsman is not required to  
414.28 obtain consent to attend meetings or proceedings and have access to private data on clients  
414.29 with mental retardation or a related condition.

414.30 (i) The ombudsman shall have access to data of agencies, facilities, or programs  
414.31 classified as private or confidential as defined in section 13.02, subdivisions 3 and 12,  
414.32 regarding services provided to clients with mental retardation or a related condition.

414.33 (j) To avoid duplication and preserve evidence, the ombudsman shall inform  
414.34 relevant licensing or regulatory officials before undertaking a review of an action of  
414.35 the facility or program.

415.1 (k) Sections 245.91 to 245.97 are in addition to other provisions of law under which  
 415.2 any other remedy or right is provided.

415.3 (l) The ombudsman may classify as confidential the identity of any individual who  
 415.4 has provided data or information, if the individual requests the classification.

415.5 Sec. 10. Minnesota Statutes 2004, section 245.97, subdivision 6, is amended to read:

415.6 Subd. 6. **Terms, compensation, and removal.** The membership terms,  
 415.7 compensation, and removal of members of the committee and the filling of membership  
 415.8 vacancies are governed by section ~~15.0575~~ 15.059.

415.9 Sec. 11. Minnesota Statutes 2004, section 246.54, subdivision 1, is amended to read:

415.10 Subdivision 1. **County portion for cost of care.** Except for chemical dependency  
 415.11 services provided under sections 254B.01 to 254B.09, the client's county shall pay to the  
 415.12 state of Minnesota a portion of the cost of care provided in a regional treatment center  
 415.13 or a state nursing facility to a client legally settled in that county. A county's payment  
 415.14 shall be made from the county's own sources of revenue and payments shall be paid as  
 415.15 follows: payments to the state from the county shall equal 20 percent of the cost of care, as  
 415.16 determined by the commissioner, for each ~~day~~ day of the first 60 days, or the portion thereof,  
 415.17 that the client spends at a regional treatment center or a state nursing facility. After the  
 415.18 first 60 days, the county share is 50 percent. This increase in the county share of payment  
 415.19 shall not apply if the continued placement of the client in the regional treatment center or  
 415.20 state nursing facility is the result of one of the following:

415.21 (1) the individual has been admitted for assessment and treatment under a court  
 415.22 order issued under the Rules of Criminal Procedure, parts 20.01 and 20.02; or

415.23 (2) there has been medical certification by the head of the center or facility that the  
 415.24 client is in need of continued treatment at a hospital level of care.

415.25 If payments received by the state under sections 246.50 to 246.53 exceed 80 percent  
 415.26 of the cost of care for the first 60 days or 50 percent of any additional days, the county  
 415.27 shall be responsible for paying the state only the remaining amount. The county shall  
 415.28 not be entitled to reimbursement from the client, the client's estate, or from the client's  
 415.29 relatives, except as provided in section 246.53. ~~No such payments shall be made for any~~  
 415.30 ~~client who was last committed prior to July 1, 1947.~~

415.31 **EFFECTIVE DATE.** This section is effective January 1, 2007.

415.32 Sec. 12. Minnesota Statutes 2004, section 246.54, is amended by adding a subdivision  
 415.33 to read:

416.1 Subd. 3. Additional exception for community behavioral health hospitals.  
 416.2 Subdivision 1 does not apply to services provided at state-operated community behavioral  
 416.3 health hospitals. For services at these facilities, a county's payment shall be made from  
 416.4 the county's own sources of revenue and payments shall be paid as follows: payments  
 416.5 to the state from the county shall equal 50 percent of the cost of care, as determined  
 416.6 by the commissioner, for each day, or the portion thereof, that the client spends at  
 416.7 the hospital. After the first 60 days, the county share of payment shall not apply if the  
 416.8 continued placement of the client in the community behavioral health hospital is the result  
 416.9 of one of the following:

416.10 (1) the individual has been admitted for assessment and treatment under a court  
 416.11 order issued under the Rules of Criminal Procedure, parts 20.01 and 20.02; or

416.12 (2) there has been medical certification by the head of the hospital that the client is  
 416.13 in need of continued treatment at a hospital level of care.

416.14 If payments received by the state under sections 246.50 to 246.53 exceed 50 percent  
 416.15 of the cost of care, the county shall be responsible for paying the state only the remaining  
 416.16 amount. The county shall not be entitled to reimbursement from the client, the client's  
 416.17 estate, or from the client's relatives, except as provided in section 246.53.

416.18 **EFFECTIVE DATE.** This section is effective January 1, 2007.

416.19 Sec. 13. Minnesota Statutes 2004, section 253B.02, subdivision 2, is amended to read:

416.20 **Subd. 2. Chemically dependent person.** "Chemically dependent person" means  
 416.21 any person (a) determined as being incapable of self-management or management of  
 416.22 personal affairs by reason of the habitual and excessive use of alcohol, drugs, or other  
 416.23 mind-altering substances; and (b) whose recent conduct as a result of habitual and  
 416.24 excessive use of alcohol, drugs, or other mind-altering substances poses a substantial  
 416.25 likelihood of physical harm to self or others as demonstrated by (i) a recent attempt or  
 416.26 threat to physically harm self or others, (ii) evidence of recent serious physical problems,  
 416.27 or (iii) a failure to obtain necessary food, clothing, shelter, or medical care. "Chemically  
 416.28 dependent person" also means a pregnant woman who has engaged during the pregnancy  
 416.29 in habitual or excessive use, for a nonmedical purpose, of any of the following controlled  
 416.30 substances or their derivatives: opium, cocaine, heroin, phencyclidine, methamphetamine,  
 416.31 or amphetamine.

416.32 Sec. 14. [254A.20] CHEMICAL USE ASSESSMENTS.

416.33 Subdivision 1. Persons arrested outside of home county. When a chemical use  
 416.34 assessment is required under Minnesota Rules, parts 9530.6600 to 9530.6655, for a person

417.1 who is arrested and taken into custody by a peace officer outside of the person's county  
417.2 of residence, the assessment must be completed by the person's county of residence no  
417.3 later than three weeks after the assessment is initially requested. If the assessment is  
417.4 not performed within this time limit, the county where the person is to be sentenced  
417.5 shall perform the assessment. The county of financial responsibility must be determined  
417.6 under chapter 256G.

417.7 Subd. 2. Probation officer as contact. When a chemical use assessment is required  
417.8 under Minnesota Rules, parts 9530.6600 to 9530.6655, for a person who is on probation  
417.9 or under other correctional supervision, the assessor, either orally or in writing, shall  
417.10 contact the person's probation officer to verify or supplement the information provided  
417.11 by the person.

417.12 Subd. 3. Financial conflicts of interest. (a) Except as provided in paragraph (b), an  
417.13 assessor conducting a chemical use assessment under Minnesota Rules, parts 9530.6600  
417.14 to 9530.6655, may not have any direct or shared financial interest or referral relationship  
417.15 resulting in shared financial gain with a treatment provider.

417.16 (b) A county may contract with an assessor having a conflict described in paragraph  
417.17 (a) if the county documents that:

417.18 (1) the assessor is employed by a culturally specific service provider or a service  
417.19 provider with a program designed to treat individuals of a specific age, sex, or sexual  
417.20 preference; or

417.21 (2) the county does not employ a sufficient number of qualified assessors and the  
417.22 only qualified assessors available in the county have a direct or shared financial interest or  
417.23 a referral relationship resulting in shared financial gain with a treatment provider.

417.24 An assessor under this paragraph may not place clients in treatment. The assessor  
417.25 shall gather required information and provide it to the county along with any required  
417.26 documentation. The county shall make all placement decisions for clients assessed by  
417.27 assessors under this paragraph.

417.28 **EFFECTIVE DATE.** This section is effective July 1, 2006, except for subdivision  
417.29 3, which is effective July 1, 2008.

417.30 Sec. 15. **[254A.25] DUTIES OF COMMISSIONER RELATED TO CHEMICAL**  
417.31 **HEALTH.**

417.32 The commissioner shall:

417.33 (1) develop a directory that identifies key characteristics of each licensed chemical  
417.34 dependency treatment program; and

418.1 (2) post copies of state licensing reviews at an online location where they may be  
418.2 reviewed by agencies that make client placements.

418.3 Sec. 16. Minnesota Statutes 2004, section 256B.0625, subdivision 20, is amended to  
418.4 read:

418.5 Subd. 20. **Mental health case management.** (a) To the extent authorized by rule  
418.6 of the state agency, medical assistance covers case management services to persons with  
418.7 serious and persistent mental illness and children with severe emotional disturbance.  
418.8 Services provided under this section must meet the relevant standards in sections 245.461  
418.9 to 245.4887, the Comprehensive Adult and Children's Mental Health Acts, Minnesota  
418.10 Rules, parts 9520.0900 to 9520.0926, and 9505.0322, excluding subpart 10.

418.11 (b) Entities meeting program standards set out in rules governing family community  
418.12 support services as defined in section 245.4871, subdivision 17, are eligible for medical  
418.13 assistance reimbursement for case management services for children with severe  
418.14 emotional disturbance when these services meet the program standards in Minnesota  
418.15 Rules, parts 9520.0900 to 9520.0926 and 9505.0322, excluding subparts 6 and 10.

418.16 (c) Medical assistance and MinnesotaCare payment for mental health case  
418.17 management shall be made on a monthly basis. In order to receive payment for an eligible  
418.18 child, the provider must document at least a face-to-face contact with the child, the child's  
418.19 parents, or the child's legal representative. To receive payment for an eligible adult, the  
418.20 provider must document:

418.21 (1) at least a face-to-face contact with the adult or the adult's legal representative; or  
418.22 (2) at least a telephone contact with the adult or the adult's legal representative and  
418.23 document a face-to-face contact with the adult or the adult's legal representative within  
418.24 the preceding two months.

418.25 (d) Payment for mental health case management provided by county or state staff  
418.26 shall be based on the monthly rate methodology under section 256B.094, subdivision 6,  
418.27 paragraph (b), with separate rates calculated for child welfare and mental health, and  
418.28 within mental health, separate rates for children and adults.

418.29 (e) Payment for mental health case management provided by Indian health services  
418.30 or by agencies operated by Indian tribes may be made according to this section or other  
418.31 relevant federally approved rate setting methodology.

418.32 (f) Payment for mental health case management provided by vendors who contract  
418.33 with a county or Indian tribe shall be based on a monthly rate negotiated by the host county  
418.34 or tribe. The negotiated rate must not exceed the rate charged by the vendor for the same  
418.35 service to other payers. If the service is provided by a team of contracted vendors, the

419.1 county or tribe may negotiate a team rate with a vendor who is a member of the team. The  
419.2 team shall determine how to distribute the rate among its members. No reimbursement  
419.3 received by contracted vendors shall be returned to the county or tribe, except to reimburse  
419.4 the county or tribe for advance funding provided by the county or tribe to the vendor.

419.5 (g) If the service is provided by a team which includes contracted vendors, tribal  
419.6 staff, and county or state staff, the costs for county or state staff participation in the team  
419.7 shall be included in the rate for county-provided services. In this case, the contracted  
419.8 vendor, the tribal agency, and the county may each receive separate payment for services  
419.9 provided by each entity in the same month. In order to prevent duplication of services,  
419.10 each entity must document, in the recipient's file, the need for team case management and  
419.11 a description of the roles of the team members.

419.12 ~~(h) The commissioner shall calculate the nonfederal share of actual medical~~  
419.13 ~~assistance and general assistance medical care payments for each county, based on the~~  
419.14 ~~higher of calendar year 1995 or 1996, by service date, project that amount forward to 1999,~~  
419.15 ~~and transfer one-half of the result from medical assistance and general assistance medical~~  
419.16 ~~care to each county's mental health grants under section 256E.12 for calendar year 1999.~~  
419.17 ~~The annualized minimum amount added to each county's mental health grant shall be~~  
419.18 ~~\$3,000 per year for children and \$5,000 per year for adults. The commissioner may reduce~~  
419.19 ~~the statewide growth factor in order to fund these minimums. The annualized total amount~~  
419.20 ~~transferred shall become part of the base for future mental health grants for each county.~~

419.21 ~~(i) Any net increase in revenue to the county or tribe as a result of the change in this~~  
419.22 ~~section must be used to provide expanded mental health services as defined in sections~~  
419.23 ~~245.461 to 245.4887, the Comprehensive Adult and Children's Mental Health Acts,~~  
419.24 ~~excluding inpatient and residential treatment. For adults, increased revenue may also be~~  
419.25 ~~used for services and consumer supports which are part of adult mental health projects~~  
419.26 ~~approved under Laws 1997, chapter 203, article 7, section 25. For children, increased~~  
419.27 ~~revenue may also be used for respite care and nonresidential individualized rehabilitation~~  
419.28 ~~services as defined in section 245.492, subdivisions 17 and 23. "Increased revenue" has~~  
419.29 ~~the meaning given in Minnesota Rules, part 9520.0903, subpart 3.~~

419.30 ~~(j) (h)~~ Notwithstanding section 256B.19, subdivision 1, the nonfederal share of  
419.31 costs for mental health case management shall be provided by the recipient's county of  
419.32 responsibility, as defined in sections 256G.01 to 256G.12, from sources other than federal  
419.33 funds or funds used to match other federal funds. If the service is provided by a tribal  
419.34 agency, the nonfederal share, if any, shall be provided by the recipient's tribe. When this  
419.35 service is paid by the state without a federal share through fee-for-service, 50 percent of  
419.36 the cost shall be provided by the recipient's county of responsibility.



420.1 (i) Notwithstanding Minnesota Rules to the contrary, prepaid medical assistance,  
 420.2 general assistance medical care, and MinnesotaCare include mental health case  
 420.3 management. When the service is provided through prepaid capitation, the nonfederal  
 420.4 share is paid by the state and there is no county share.

420.5 ~~(k)~~ (j) The commissioner may suspend, reduce, or terminate the reimbursement to a  
 420.6 provider that does not meet the reporting or other requirements of this section. The county  
 420.7 of responsibility, as defined in sections 256G.01 to 256G.12, or, if applicable, the tribal  
 420.8 agency, is responsible for any federal disallowances. The county or tribe may share this  
 420.9 responsibility with its contracted vendors.

420.10 ~~(l)~~ (k) The commissioner shall set aside a portion of the federal funds earned for  
 420.11 county expenditures under this section to repay the special revenue maximization account  
 420.12 under section 256.01, subdivision 2, clause (15). The repayment is limited to:

420.13 (1) the costs of developing and implementing this section; and

420.14 (2) programming the information systems.

420.15 ~~(m)~~ (l) Payments to counties and tribal agencies for case management expenditures  
 420.16 under this section shall only be made from federal earnings from services provided  
 420.17 under this section. When this service is paid by the state without a federal share through  
 420.18 fee-for-service, 50 percent of the cost shall be provided by the state. Payments to  
 420.19 county-contracted vendors shall include ~~both~~ the federal earnings, the state share, and the  
 420.20 county share.

420.21 ~~(n) Notwithstanding section 256B.041, county payments for the cost of mental~~  
 420.22 ~~health case management services provided by county or state staff shall not be made~~  
 420.23 ~~to the commissioner of finance. For the purposes of mental health case management~~  
 420.24 ~~services provided by county or state staff under this section, the centralized disbursement~~  
 420.25 ~~of payments to counties under section 256B.041 consists only of federal earnings from~~  
 420.26 ~~services provided under this section.~~

420.27 ~~(o)~~ (m) Case management services under this subdivision do not include therapy,  
 420.28 treatment, legal, or outreach services.

420.29 ~~(p)~~ (n) If the recipient is a resident of a nursing facility, intermediate care facility,  
 420.30 or hospital, and the recipient's institutional care is paid by medical assistance, payment  
 420.31 for case management services under this subdivision is limited to the last 180 days of  
 420.32 the recipient's residency in that facility and may not exceed more than six months in a  
 420.33 calendar year.

420.34 ~~(q)~~ (o) Payment for case management services under this subdivision shall not  
 420.35 duplicate payments made under other program authorities for the same purpose.

421.1 ~~(r) By July 1, 2000, the commissioner shall evaluate the effectiveness of the changes~~  
 421.2 ~~required by this section, including changes in number of persons receiving mental health~~  
 421.3 ~~case management, changes in hours of service per person, and changes in caseload size.~~

421.4 ~~(s) For each calendar year beginning with the calendar year 2001, the annualized~~  
 421.5 ~~amount of state funds for each county determined under paragraph (h) shall be adjusted by~~  
 421.6 ~~the county's percentage change in the average number of clients per month who received~~  
 421.7 ~~case management under this section during the fiscal year that ended six months prior to~~  
 421.8 ~~the calendar year in question, in comparison to the prior fiscal year.~~

421.9 ~~(t) For counties receiving the minimum allocation of \$3,000 or \$5,000 described~~  
 421.10 ~~in paragraph (h), the adjustment in paragraph (s) shall be determined so that the county~~  
 421.11 ~~receives the higher of the following amounts:~~

421.12 ~~(1) a continuation of the minimum allocation in paragraph (h); or~~

421.13 ~~(2) an amount based on that county's average number of clients per month who~~  
 421.14 ~~received case management under this section during the fiscal year that ended six months~~  
 421.15 ~~prior to the calendar year in question, times the average statewide grant per person per~~  
 421.16 ~~month for counties not receiving the minimum allocation.~~

421.17 ~~(u) The adjustments in paragraphs (s) and (t) shall be calculated separately for~~  
 421.18 ~~children and adults.~~

421.19 **EFFECTIVE DATE.** This section is effective January 1, 2008.

421.20 Sec. 17. Minnesota Statutes 2004, section 256B.0625, subdivision 28, is amended to  
 421.21 read:

421.22 Subd. 28. **Certified nurse practitioner services.** Medical assistance covers  
 421.23 services performed by a certified pediatric nurse practitioner, a certified family nurse  
 421.24 practitioner, a certified adult nurse practitioner, a certified obstetric/gynecological  
 421.25 nurse practitioner, a certified neonatal nurse practitioner, ~~or~~ a certified geriatric nurse  
 421.26 practitioner, a clinical nurse specialist in mental health, or a certified psychiatric nurse  
 421.27 practitioner in independent practice, if:

421.28 (1) the service provided on an inpatient basis is not included as part of the cost for  
 421.29 inpatient services included in the operating payment rate;

421.30 (2) the service is otherwise covered under this chapter as a physician service; and

421.31 (3) the service is within the scope of practice of the nurse practitioner's license as a  
 1.32 registered nurse, as defined in section 148.171.

421.33 Sec. 18. Minnesota Statutes 2004, section 256B.0945, subdivision 1, is amended to  
 421.34 read:

422.1           Subdivision 1. **Provider qualifications.** Counties must arrange to provide  
422.2 residential services for children with severe emotional disturbance according to sections  
422.3 245.4882, 245.4885, and this section. Services must be provided by a facility that is  
422.4 licensed according to section 245.4882 and administrative rules promulgated thereunder,  
422.5 and under contract with the county. ~~Facilities providing services under subdivision 2,~~  
422.6 ~~paragraph (a), must be accredited as a psychiatric facility by the Joint Commission~~  
422.7 ~~on Accreditation of Healthcare Organizations, the Commission on Accreditation of~~  
422.8 ~~Rehabilitation Facilities, or the Council on Accreditation. Accreditation is not required for~~  
422.9 ~~facilities providing services under subdivision 2, paragraph (b).~~

422.10           Sec. 19. Minnesota Statutes 2004, section 256B.0945, subdivision 4, is amended to  
422.11 read:

422.12           Subd. 4. **Payment rates.** (a) Notwithstanding sections 256B.19 and 256B.041,  
422.13 payments to counties for residential services provided by a residential facility shall only  
422.14 be made of federal earnings for services provided under this section, and the nonfederal  
422.15 share of costs for services provided under this section shall be paid by the county from  
422.16 sources other than federal funds or funds used to match other federal funds. Payment to  
422.17 counties for services provided according to this section shall be a proportion of the per  
422.18 day contract rate that relates to rehabilitative mental health services and shall not include  
422.19 payment for costs or services that are billed to the IV-E program as room and board.

422.20           (b) Per diem rates paid to providers under this section by prepaid plans shall be the  
422.21 proportion of the per day contract rate that relates to rehabilitative mental health services  
422.22 and shall not include payment for costs or services that are billed to the IV-E program  
422.23 as room and board.

422.24           (c) The commissioner shall set aside a portion not to exceed five percent of the  
422.25 federal funds earned for county expenditures under this section to cover the state costs of  
422.26 administering this section. Any unexpended funds from the set-aside shall be distributed  
422.27 to the counties in proportion to their earnings under this section.

422.28           **EFFECTIVE DATE.** This section is effective January 1, 2008.

422.29           Sec. 20. Minnesota Statutes 2005 Supplement, section 256B.0946, subdivision 1,  
422.30 is amended to read:

422.31           Subdivision 1. **Covered service.** (a) Effective July 1, 2006, and subject to federal  
422.32 approval, medical assistance covers medically necessary services described under  
422.33 paragraph (b) that are provided by a provider entity eligible under subdivision 3 to a client

423.1 eligible under subdivision 2 who is placed in a treatment foster home licensed under  
423.2 Minnesota Rules, parts 2960.3000 to 2960.3340.

423.3 (b) Services to children with severe emotional disturbance residing in treatment  
423.4 foster care settings must meet the relevant standards for mental health services under  
423.5 sections 245.487 to 245.4887. In addition, specific service components reimbursed by  
423.6 medical assistance must meet the following standards:

423.7 (1) case management service component must meet the standards in Minnesota  
423.8 Rules, parts 9520.0900 to 9520.0926 and 9505.0322, excluding subparts 6 and 10;

423.9 (2) psychotherapy, crisis assistance, and skills training components must meet the  
423.10 standards for children's therapeutic services and supports in section 256B.0943; and

423.11 (3) family psychoeducation services under supervision of a mental health  
423.12 professional.

423.13 Sec. 21. Minnesota Statutes 2004, section 256B.69, subdivision 5g, is amended to read:

423.14 Subd. 5g. **Payment for covered services.** For services rendered on or after January  
423.15 1, 2003, the total payment made to managed care plans for providing covered services  
423.16 under the medical assistance and general assistance medical care programs is reduced by  
423.17 .5 percent from their current statutory rates. This provision excludes payments for nursing  
423.18 home services, home and community-based waivers, ~~and~~ payments to demonstration  
423.19 projects for persons with disabilities, and mental health services added as covered benefits  
423.20 after December 31, 2006.

423.21 Sec. 22. Minnesota Statutes 2004, section 256B.69, subdivision 5h, is amended to read:

423.22 Subd. 5h. **Payment reduction.** In addition to the reduction in subdivision 5g,  
423.23 the total payment made to managed care plans under the medical assistance program is  
423.24 reduced 1.0 percent for services provided on or after October 1, 2003, and an additional  
423.25 1.0 percent for services provided on or after January 1, 2004. This provision excludes  
423.26 payments for nursing home services, home and community-based waivers, ~~and~~ payments  
423.27 to demonstration projects for persons with disabilities, and mental health services added as  
423.28 covered benefits after December 31, 2006.

423.29 Sec. 23. **[256B.763] CRITICAL ACCESS MENTAL HEALTH RATE INCREASE.**

423.30 (a) For services defined in paragraph (b) and rendered on or after July 1, 2007,  
423.31 payment rates shall be increased by 23.7 percent over the rates in effect on January 1,  
423.32 2006, for:

423.33 (1) psychiatrists and advanced practice registered nurses with a psychiatric specialty;

424.1 (2) community mental health centers under section 256B.0625, subdivision 5; and  
 424.2 (3) mental health clinics and centers certified under Minnesota Rules, parts  
 424.3 9520.0750 to 9520.0870, or hospital outpatient psychiatric departments that are designated  
 424.4 as essential community providers under section 62Q.19.

424.5 (b) This increase applies to group skills training when provided as a component of  
 424.6 children's therapeutic services and support, psychotherapy, medication management,  
 424.7 evaluation and management, diagnostic assessment, explanation of findings, psychological  
 424.8 testing, neuropsychological services, direction of behavioral aides, and inpatient  
 424.9 consultation.

424.10 (c) This increase does not apply to rates that are governed by section 256B.0625,  
 424.11 subdivision 30, or 256B.761, paragraph (b), other cost-based rates, rates that are  
 424.12 negotiated with the county, rates that are established by the federal government, or rates  
 424.13 that increased between January 1, 2004, and January 1, 2005.

424.14 (d) The commissioner shall adjust rates paid to prepaid health plans under contract  
 424.15 with the commissioner to reflect the rate increases provided in paragraph (a). The prepaid  
 424.16 health plan must pass this rate increase to the providers identified in paragraph (a).

424.17 Sec. 24. Minnesota Statutes 2005 Supplement, section 256D.03, subdivision 4, is  
 424.18 amended to read:

424.19 Subd. 4. **General assistance medical care; services.** (a) (i) For a person who is  
 424.20 eligible under subdivision 3, paragraph (a), clause (2), item (i), general assistance medical  
 424.21 care covers, except as provided in paragraph (c):

424.22 (1) inpatient hospital services;

424.23 (2) outpatient hospital services;

424.24 (3) services provided by Medicare certified rehabilitation agencies;

424.25 (4) prescription drugs and other products recommended through the process  
 424.26 established in section 256B.0625, subdivision 13;

424.27 (5) equipment necessary to administer insulin and diagnostic supplies and equipment  
 424.28 for diabetics to monitor blood sugar level;

424.29 (6) eyeglasses and eye examinations provided by a physician or optometrist;

424.30 (7) hearing aids;

424.31 (8) prosthetic devices;

424.32 (9) laboratory and X-ray services;

424.33 (10) physician's services;

424.34 (11) medical transportation except special transportation;

424.35 (12) chiropractic services as covered under the medical assistance program;

- 425.1 (13) podiatric services;
- 425.2 (14) dental services as covered under the medical assistance program;
- 425.3 (15) ~~outpatient services provided by a mental health center or clinic that is under~~
- 425.4 ~~contract with the county board and is established under section 245.62~~ mental health
- 425.5 services covered under chapter 256B;
- 425.6 ~~(16) day treatment services for mental illness provided under contract with the~~
- 425.7 ~~county board;~~
- 425.8 ~~(17)~~ (16) prescribed medications for persons who have been diagnosed as mentally
- 425.9 ill as necessary to prevent more restrictive institutionalization;
- 425.10 ~~(18) psychological services;~~ (17) medical supplies and equipment, and Medicare
- 425.11 premiums, coinsurance and deductible payments;
- 425.12 ~~(19)~~ (18) medical equipment not specifically listed in this paragraph when the use
- 425.13 of the equipment will prevent the need for costlier services that are reimbursable under
- 425.14 this subdivision;
- 425.15 ~~(20)~~ (19) services performed by a certified pediatric nurse practitioner, a
- 425.16 certified family nurse practitioner, a certified adult nurse practitioner, a certified
- 425.17 obstetric/gynecological nurse practitioner, a certified neonatal nurse practitioner, or a
- 425.18 certified geriatric nurse practitioner in independent practice, if (1) the service is otherwise
- 425.19 covered under this chapter as a physician service, (2) the service provided on an inpatient
- 425.20 basis is not included as part of the cost for inpatient services included in the operating
- 425.21 payment rate, and (3) the service is within the scope of practice of the nurse practitioner's
- 425.22 license as a registered nurse, as defined in section 148.171;
- 425.23 ~~(21)~~ (20) services of a certified public health nurse or a registered nurse practicing
- 425.24 in a public health nursing clinic that is a department of, or that operates under the direct
- 425.25 authority of, a unit of government, if the service is within the scope of practice of the
- 425.26 public health nurse's license as a registered nurse, as defined in section 148.171; and
- 425.27 ~~(22)~~ (21) telemedicine consultations, to the extent they are covered under section
- 425.28 256B.0625, subdivision 3b; ~~and.~~
- 425.29 ~~(23) mental health telemedicine and psychiatric consultation as covered under~~
- 425.30 ~~section 256B.0625, subdivisions 46 and 48.~~
- 425.31 (ii) Effective October 1, 2003, for a person who is eligible under subdivision 3,
- 425.32 paragraph (a), clause (2), item (ii), general assistance medical care coverage is limited
- 425.33 to inpatient hospital services, including physician services provided during the inpatient
- 425.34 hospital stay. A \$1,000 deductible is required for each inpatient hospitalization.
- 425.35 (b) Effective August 1, 2005, sex reassignment surgery is not covered under this
- 425.36 subdivision.

426.1 (c) In order to contain costs, the commissioner of human services shall select  
426.2 vendors of medical care who can provide the most economical care consistent with high  
426.3 medical standards and shall where possible contract with organizations on a prepaid  
426.4 capitation basis to provide these services. The commissioner shall consider proposals by  
426.5 counties and vendors for prepaid health plans, competitive bidding programs, block grants,  
426.6 or other vendor payment mechanisms designed to provide services in an economical  
426.7 manner or to control utilization, with safeguards to ensure that necessary services are  
426.8 provided. Before implementing prepaid programs in counties with a county operated or  
426.9 affiliated public teaching hospital or a hospital or clinic operated by the University of  
426.10 Minnesota, the commissioner shall consider the risks the prepaid program creates for the  
426.11 hospital and allow the county or hospital the opportunity to participate in the program in a  
426.12 manner that reflects the risk of adverse selection and the nature of the patients served by  
426.13 the hospital, provided the terms of participation in the program are competitive with the  
426.14 terms of other participants considering the nature of the population served. Payment for  
426.15 services provided pursuant to this subdivision shall be as provided to medical assistance  
426.16 vendors of these services under sections 256B.02, subdivision 8, and 256B.0625. For  
426.17 payments made during fiscal year 1990 and later years, the commissioner shall consult  
426.18 with an independent actuary in establishing prepayment rates, but shall retain final control  
426.19 over the rate methodology.

426.20 (d) Recipients eligible under subdivision 3, paragraph (a), shall pay the following  
426.21 co-payments for services provided on or after October 1, 2003:

426.22 (1) \$25 for eyeglasses;

426.23 (2) \$25 for nonemergency visits to a hospital-based emergency room;

426.24 (3) \$3 per brand-name drug prescription and \$1 per generic drug prescription,  
426.25 subject to a \$12 per month maximum for prescription drug co-payments. No co-payments  
426.26 shall apply to antipsychotic drugs when used for the treatment of mental illness; and

426.27 (4) 50 percent coinsurance on restorative dental services.

426.28 (e) Co-payments shall be limited to one per day per provider for nonpreventive visits,  
426.29 eyeglasses, and nonemergency visits to a hospital-based emergency room. Recipients of  
426.30 general assistance medical care are responsible for all co-payments in this subdivision.  
426.31 The general assistance medical care reimbursement to the provider shall be reduced by  
426.32 the amount of the co-payment, except that reimbursement for prescription drugs shall not  
426.33 be reduced once a recipient has reached the \$12 per month maximum for prescription  
426.34 drug co-payments. The provider collects the co-payment from the recipient. Providers  
426.35 may not deny services to recipients who are unable to pay the co-payment, except as  
426.36 provided in paragraph (f).

427.1 (f) If it is the routine business practice of a provider to refuse service to an individual  
427.2 with uncollected debt, the provider may include uncollected co-payments under this  
427.3 section. A provider must give advance notice to a recipient with uncollected debt before  
427.4 services can be denied.

427.5 (g) Any county may, from its own resources, provide medical payments for which  
427.6 state payments are not made.

427.7 (h) Chemical dependency services that are reimbursed under chapter 254B must not  
427.8 be reimbursed under general assistance medical care.

427.9 (i) The maximum payment for new vendors enrolled in the general assistance  
427.10 medical care program after the base year shall be determined from the average usual and  
427.11 customary charge of the same vendor type enrolled in the base year.

427.12 (j) The conditions of payment for services under this subdivision are the same as the  
427.13 conditions specified in rules adopted under chapter 256B governing the medical assistance  
427.14 program, unless otherwise provided by statute or rule.

427.15 (k) Inpatient and outpatient payments shall be reduced by five percent, effective July  
427.16 1, 2003. This reduction is in addition to the five percent reduction effective July 1, 2003,  
427.17 and incorporated by reference in paragraph (i).

427.18 (l) Payments for all other health services except inpatient, outpatient, and pharmacy  
427.19 services shall be reduced by five percent, effective July 1, 2003.

427.20 (m) Payments to managed care plans shall be reduced by five percent for services  
427.21 provided on or after October 1, 2003.

427.22 (n) A hospital receiving a reduced payment as a result of this section may apply the  
427.23 unpaid balance toward satisfaction of the hospital's bad debts.

427.24 (o) Fee-for-service payments for nonpreventive visits shall be reduced by \$3  
427.25 for services provided on or after January 1, 2006. For purposes of this subdivision, a  
427.26 visit means an episode of service which is required because of a recipient's symptoms,  
427.27 diagnosis, or established illness, and which is delivered in an ambulatory setting by  
427.28 a physician or physician ancillary, chiropractor, podiatrist, advance practice nurse,  
427.29 audiologist, optician, or optometrist.

427.30 (p) Payments to managed care plans shall not be increased as a result of the removal  
427.31 of the \$3 nonpreventive visit co-payment effective January 1, 2006.

427.32 (q) Payments for mental health services added as covered benefits after December  
427.33 31, 2006, are not subject to the reductions in paragraphs (i), (k), (l), and (m).

427.34 EFFECTIVE DATE. This section is effective January 1, 2007, except mental  
427.35 health case management under paragraph (a)(i)(15) is effective January 1, 2008.



428.1 Sec. 25. Minnesota Statutes 2005 Supplement, section 256L.03, subdivision 1, is  
428.2 amended to read:

428.3 Subdivision 1. **Covered health services.** For individuals under section 256L.04,  
428.4 subdivision 7, with income no greater than 75 percent of the federal poverty guidelines  
428.5 or for families with children under section 256L.04, subdivision 1, all subdivisions of  
428.6 this section apply. "Covered health services" means the health services reimbursed  
428.7 under chapter 256B, with the exception of inpatient hospital services, special education  
428.8 services, private duty nursing services, adult dental care services other than services  
428.9 covered under section 256B.0625, subdivision 9, orthodontic services, nonemergency  
428.10 medical transportation services, personal care assistant and case management services,  
428.11 nursing home or intermediate care facilities services, inpatient mental health services,  
428.12 and chemical dependency services. ~~Outpatient mental health services covered under the~~  
428.13 ~~MinnesotaCare program are limited to diagnostic assessments, psychological testing,~~  
428.14 ~~explanation of findings, mental health telemedicine, psychiatric consultation, medication~~  
428.15 ~~management by a physician, day treatment, partial hospitalization, and individual, family,~~  
428.16 ~~and group psychotherapy.~~

428.17 No public funds shall be used for coverage of abortion under MinnesotaCare  
428.18 except where the life of the female would be endangered or substantial and irreversible  
428.19 impairment of a major bodily function would result if the fetus were carried to term; or  
428.20 where the pregnancy is the result of rape or incest.

428.21 Covered health services shall be expanded as provided in this section.

428.22 **EFFECTIVE DATE.** This section is effective January 1, 2007, except mental  
428.23 health case management under subdivision 1 is effective January 1, 2008.

428.24 Sec. 26. Minnesota Statutes 2005 Supplement, section 256L.035, is amended to read:

428.25 **256L.035 LIMITED BENEFITS COVERAGE FOR CERTAIN SINGLE**  
428.26 **ADULTS AND HOUSEHOLDS WITHOUT CHILDREN.**

428.27 (a) "Covered health services" for individuals under section 256L.04, subdivision  
428.28 7, with income above 75 percent, but not exceeding 175 percent, of the federal poverty  
428.29 guideline means:

428.30 (1) inpatient hospitalization benefits with a ten percent co-payment up to \$1,000 and  
428.31 subject to an annual limitation of \$10,000;

428.32 (2) physician services provided during an inpatient stay; and

428.33 (3) physician services not provided during an inpatient stay; outpatient hospital  
428.34 services; freestanding ambulatory surgical center services; chiropractic services; lab and

429.1 diagnostic services; diabetic supplies and equipment; mental health services as covered  
 429.2 under chapter 256B; and prescription drugs; subject to the following co-payments:

429.3 (i) \$50 co-pay per emergency room visit;

429.4 (ii) \$3 co-pay per prescription drug; and

429.5 (iii) \$5 co-pay per nonpreventive visit.

429.6 The services covered under this section may be provided by a physician, physician  
 429.7 ancillary, chiropractor, psychologist, ~~or~~ licensed independent clinical social worker, or  
 429.8 other mental health providers covered under chapter 256B if the services are within the  
 429.9 scope of practice of that health care professional.

429.10 For purposes of this section, "a visit" means an episode of service which is required  
 429.11 because of a recipient's symptoms, diagnosis, or established illness, and which is delivered  
 429.12 in an ambulatory setting by any health care provider identified in this paragraph.

429.13 Enrollees are responsible for all co-payments in this section.

429.14 (b) Reimbursement to the providers shall be reduced by the amount of the  
 429.15 co-payment, except that reimbursement for prescription drugs shall not be reduced once a  
 429.16 recipient has reached the \$20 per month maximum for prescription drug co-payments.

429.17 The provider collects the co-payment from the recipient. Providers may not deny services  
 429.18 to recipients who are unable to pay the co-payment, except as provided in paragraph (c).

429.19 (c) If it is the routine business practice of a provider to refuse service to an individual  
 429.20 with uncollected debt, the provider may include uncollected co-payments under this  
 429.21 section. A provider must give advance notice to a recipient with uncollected debt before  
 429.22 services can be denied.

429.23 **EFFECTIVE DATE.** This section is effective January 1, 2007, except mental  
 429.24 health case management under paragraph (a), clause (3), is effective January 1, 2008.

429.25 Sec. 27. Minnesota Statutes 2004, section 256L.12, subdivision 9a, is amended to read:

429.26 Subd. 9a. **Rate setting; ratable reduction.** For services rendered on or after  
 429.27 October 1, 2003, the total payment made to managed care plans under the MinnesotaCare  
 429.28 program is reduced 1.0 percent. This provision excludes payments for mental health  
 429.29 services added as covered benefits after December 31, 2006.

429.30 Sec. 28. **MENTAL HEALTH PILOT PROGRAM FOR UNSHELTERED**  
 429.31 **INDIVIDUALS.**

430.1 Subdivision 1. Pilot project program components. The commissioner of human  
430.2 services shall establish two pilot projects, one in Ramsey County and one in Hennepin  
430.3 County, which shall:

430.4 (1) operate two ten-bed facilities in separate locations;

430.5 (2) provide community support to individuals who have been living homeless for at  
430.6 least one year;

430.7 (3) provide 24-hour supervision; and

430.8 (4) provide on-site mental health services which focus on the mental health needs of  
430.9 individuals who have lived unsheltered.

430.10 Subd. 2. Group residential housing. Notwithstanding Minnesota Statutes, section  
430.11 256I.05, subdivisions 1a and 1c, a county agency shall negotiate a supplementary rate in  
430.12 addition to the rate specified in Minnesota Statutes, section 256I.05, subdivision 1, not to  
430.13 exceed \$700 per month, including any legislatively authorized inflationary adjustments for  
430.14 a group residential program that meets the components under subdivision 1, and for the  
430.15 independent living component of the program under subdivision 3.

430.16 Subd. 3. Independent living. An individual who has lived in one of the facilities  
430.17 under subdivision 1, and who is being transitioned to independent living as part of the  
430.18 program plan, continues to be eligible for group residential housing and the supplementary  
430.19 service rate negotiated with the county under subdivision 2.

430.20 Subd. 4. Effective date. This section is effective July 1, 2006, through June 30,  
430.21 2008.

430.22 Sec. 29. RECOMMENDATIONS ON CHANGING THE CONSOLIDATED  
430.23 CHEMICAL DEPENDENCY TREATMENT FUND.

430.24 The commissioner shall report to the legislature by January 15, 2007, on  
430.25 recommendations which analyze the merits of changing the statutory maintenance of  
430.26 effort provisions in the chemical dependency treatment fund.

430.27 Sec. 30. PLAN FOR IMPROVING COMMUNITY-BASED SUBSTANCE  
430.28 ABUSE TREATMENT AND OTHER ISSUES RELATED TO IMPROVING  
430.29 CHEMICAL HEALTH.

430.30 (a) The commissioner of human services shall present a plan to the senate and  
430.31 house of representatives committees having jurisdiction over substance abuse treatment  
430.32 issues by January 15, 2007, for improving the availability of community-based substance  
430.33 abuse treatment.

- 431.1 (b) The commissioner of human services shall also report back to the senate and  
431.2 house of representatives committees having jurisdiction over substance abuse treatment  
431.3 issues by January 15, 2007, on the merits, feasibility, and cost of:
- 431.4 (1) posting treatment program peer reviews at an online location where they can be  
431.5 viewed by agencies that make client placements;
- 431.6 (2) annually distributing information to chemical health assessors on best practices  
431.7 in assessments, including model instruments for adults and adolescents;
- 431.8 (3) monitoring the compliance of local agencies with assessment and referral rules;
- 431.9 (4) working with the commissioner of health to develop guidelines and training  
431.10 materials for health care organizations on the use of brief interventions for alcohol abuse;
- 431.11 (5) providing local agencies with examples of best practices for addressing needs of  
431.12 persons being considered for repeat placements into publicly funded treatment;
- 431.13 (6) identifying best practices to help local agencies monitor the progress of clients  
431.14 placed in treatment; and
- 431.15 (7) periodically providing local agencies with statewide information on treatment  
431.16 outcomes.

431.17 **Sec. 31. REVISOR'S INSTRUCTION.**

431.18 In the next edition of Minnesota Statutes, the revisor of statutes shall change the  
431.19 reference to sections 245.487 to 245.4887, the Children's Mental Health Act, wherever it  
431.20 appears in statutes or rules to sections 245.487 to 245.4889.

431.21 **Sec. 32. REPEALER.**

431.22 Minnesota Statutes 2004, sections 245.465, subdivision 2; 256B.0945, subdivisions  
431.23 5, 6, 7, 8, and 9; and 256B.83, are repealed.

431.24 **ARTICLE 26**

431.25 **HEALTH AND HUMAN SERVICES APPROPRIATIONS**

431.26 **Section 1. HEALTH AND HUMAN SERVICES APPROPRIATIONS.**

431.27 The sums shown in the columns marked "APPROPRIATIONS" are added to or, if  
431.28 shown in parentheses, subtracted from the appropriations in Laws 2005, First Special  
431.29 Session chapter 4, article 9, or other law to the agencies and for the purposes specified  
431.30 in this article. The appropriations are from the general fund or another named fund and  
431.31 are available for the fiscal years indicated for each purpose. The figures "2006" and  
431.32 "2007" used in this article mean that the addition to or subtraction from the appropriation  
431.33 listed under them is available for the fiscal year ending June 30, 2006, or June 30,

432.1 2007, respectively. "The first year" is fiscal year 2006. "The second year" is fiscal year  
 432.2 2007. "The biennium" is fiscal years 2006 and 2007. Supplementary appropriations and  
 432.3 reductions to appropriations for the fiscal year ending June 30, 2006, are effective the  
 432.4 day following final enactment.

432.5 SUMMARY BY FUND

432.6		<u>2006</u>		<u>2007</u>		<u>TOTAL</u>
432.7	<u>General</u>	\$ 26,673,000	\$	66,463,000	\$	93,136,000
432.8	<u>Health Care Access</u>	-0-		38,881,000		38,881,000
432.9	<u>Special Revenue</u>	514,000		762,000		1,276,000
432.10	<u>Federal TANF</u>	7,484,000		11,748,000		19,232,000
432.11	<u>TOTAL</u>	\$ 34,671,000	\$	117,854,000	\$	152,525,000

432.12 APPROPRIATIONS  
 432.13 Available for the Year  
 432.14 Ending June 30  
 432.15 2006                      2007

432.16 Sec. 2. COMMISSIONER OF HUMAN  
 432.17 SERVICES

432.18 Subdivision 1. Total Appropriation                      \$ 31,709,000 \$ 100,608,000

432.19 Summary by Fund

432.20	<u>General</u>	24,225,000	59,393,000
432.21	<u>Health Care Access</u>	-0-	29,467,000
432.22	<u>TANF</u>	7,484,000	11,748,000

432.23 SPECIAL REVENUE FUND

432.24 TRANSFER. Notwithstanding any law to  
 432.25 the contrary, excluding accounts authorized  
 432.26 under Minnesota Statutes, section 16A.1286,  
 432.27 and Minnesota Statutes, chapter 245B, the  
 432.28 commissioner shall transfer \$900,000 in  
 432.29 fiscal year 2007 of uncommitted special  
 432.30 revenue fund balances to the general fund.  
 432.31 The actual transfers shall be identified within  
 432.32 the standard information provided to the

433.1 chairs of the legislative committees with  
433.2 jurisdiction over health and human services  
433.3 issues in December 2006.

433.4 **TANF MAINTENANCE OF EFFORT.**

433.5 Notwithstanding Laws 2005, First Special  
433.6 Session chapter 4, article 9, section 2,  
433.7 subdivision 1, the commissioner shall ensure  
433.8 that for fiscal year 2007, the maintenance of  
433.9 effort used by the commissioner of finance  
433.10 for the February and November forecasts  
433.11 required under Minnesota Statutes, section  
433.12 16A.103, contains expenditures under the  
433.13 TANF/MOE rider, paragraph (a), clause (1),  
433.14 in Laws 2005, First Special Session chapter  
433.15 4, article 9, section 2, subdivision 1, equal to  
433.16 at least 21 percent of the total required under  
433.17 Code of Federal Regulations, title 45, section  
433.18 263.1.

433.19 **INCREASED WORKING FAMILY**

433.20 **CREDIT EXPENDITURES TO BE**

433.21 **CLAIMED FOR TANF MAINTENANCE**

433.22 **OF EFFORT.** In addition to the amounts  
433.23 provided in Laws 2005, First Special  
433.24 Session chapter 4, article 9, section 2,  
433.25 subdivision 1, the commissioner may count  
433.26 the following amounts of working family  
433.27 credit expenditure as TANF maintenance of  
433.28 effort:

- 433.29 (1) fiscal year 2006, \$9,858,000;  
433.30 (2) fiscal year 2007, \$10,936,000;  
433.31 (3) fiscal year 2008, \$42,495,000; and  
2 (4) fiscal year 2009, \$42,502,000.

434.1 Notwithstanding any contrary provision in  
 434.2 this article, this paragraph shall expire on  
 434.3 June 30, 2009.

434.4 **CHILD CARE AND DEVELOPMENT**

434.5 **FUND; FEDERAL DEFICIT**

434.6 **REDUCTION ACT OF 2005.** Increased  
 434.7 child care funds from the federal Deficit  
 434.8 Reduction Act of 2005 may be allocated by  
 434.9 the commissioner for the basic sliding fee  
 434.10 child care program.

434.11 **Subd. 2. Children and Economic Assistance**

434.12 **Grants**

434.13 **Summary by Fund**

434.14	<u>General Fund</u>	<u>(7,854,000)</u>	<u>9,433,000</u>
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434.15	<u>Federal TANF</u>	<u>7,484,000</u>	<u>11,456,000</u>
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434.16 **(a) MFIP/DWP Grants**

434.17	<u>General</u>	<u>(7,484,000)</u>	<u>7,484,000</u>
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434.18	<u>Federal TANF</u>	<u>7,484,000</u>	<u>(4,803,000)</u>
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434.19 **(b) MFIP Child Care Grants**

434.20	<u>TANF</u>	<u>-0-</u>	<u>16,119,000</u>
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434.21	<b><u>(c) Children's Services Grants</u></b>		<u>-0-</u>	<u>2,223,000</u>
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434.22 **PROVIDER RATE FREEZE**

434.23 **ELIMINATION.** Of the TANF fund

434.24 appropriation, \$15,888,000 in fiscal year

434.25 2007 is to eliminate the provider rate freeze

434.26 in Minnesota Statutes, section 119B.13,

434.27 subdivision 1; provide an accreditation

434.28 incentive under Minnesota Statutes,

434.29 section 119B.13, subdivision 3a; repeal the

434.30 limitations on payments for absent days

435.1 in Minnesota Statutes, section 119B.13,  
435.2 subdivision 7; and reduce co-payments.  
435.3 Effective July 1, 2007, these costs shall be  
435.4 paid from the general fund. Notwithstanding  
435.5 any section in this article to the contrary, this  
435.6 paragraph shall not expire.

435.7 **SUBSIDIZED HOUSING PENALTY**

435.8 **REPORT.** By February 15, 2007, the  
435.9 commissioner shall report to the legislature  
435.10 on the results of suspending the \$50  
435.11 MFIP subsidized housing penalty and with  
435.12 recommendations on funding sources to  
435.13 continue this suspension after June 30, 2007.

435.14 **CHILDREN'S SERVICES GRANTS**

435.15 **BASE LEVEL ADJUSTMENT.** The  
435.16 general fund base for children's services  
435.17 grants shall be increased by \$7,964,000 in  
435.18 fiscal year 2008 and \$7,964,000 in fiscal year  
435.19 2009.

435.20 **CHILDREN'S AND COMMUNITY**

435.21 **SERVICES GRANTS.** Notwithstanding  
435.22 Minnesota Statutes, section 256M.50,  
435.23 supplemental social service block grant funds  
435.24 of \$153,936 appropriated under the federal  
435.25 2005 Department of Defense Appropriations  
435.26 Act, Public Law 109-148, shall be allocated  
435.27 proportionately to those counties that served  
435.28 hurricane evacuees and reported those  
435.29 services on the Social Service Information  
435.30 System.

435.31 **CHILDREN'S AND COMMUNITY**

435.32 **SERVICES GRANTS BASE LEVEL**

435.33 **ADJUSTMENT.** The general fund base for  
435.34 children's and community services grants



436.1 shall be decreased by \$2,849,000 in fiscal  
436.2 year 2009.

436.3 **BASIC SLIDING FEE ALLOCATIONS;**

436.4 **CONVERSION TO AUTOMATED**

436.5 **PAYMENT SYSTEM. As determined by**

436.6 the commissioner, counties may use up to six

436.7 percent of either calendar year 2008 or 2009

436.8 allocations under Minnesota Statutes, section

436.9 119B.03, to fund accelerated payments that

436.10 may occur during the preceding calendar

436.11 year during conversion to the automated

436.12 child care assistance program system. If

436.13 conversion occurs over two calendar years,

436.14 counties may use up to three percent of the

436.15 combined calendar year allocations to fund

436.16 accelerated payments. Funding advanced

436.17 under this paragraph shall be considered part

436.18 of the allocation from which it was originally

436.19 advanced for purposes of setting future

436.20 allocations under Minnesota Statutes, section

436.21 119B.03, subdivisions 6, 6a, 6b, and 8, and

436.22 shall include funding for administrative costs

436.23 under Minnesota Statutes, section 119B.15.

436.24 Notwithstanding any contrary provisions in

436.25 this article, this paragraph shall sunset on

436.26 December 31, 2009.

436.27 **(d) Other Children's and Economic Assistance**

436.28 **Grants**

436.29 **General** (370,000) (452,000)

436.30 **Federal TANF** -0- 140,000

436.31 **OTHER CHILDREN'S AND**

436.32 **ECONOMIC ASSISTANCE GRANTS**

436.33 **BASE LEVEL ADJUSTMENT. The**

436.34 **general fund base for other children's and**

437.1 economic assistance grants shall be increased  
 437.2 by \$20,000 in fiscal year 2008 and by  
 437.3 \$20,000 in fiscal year 2009.

437.4 **NEW CHANCE PROGRAM**

437.5 **APPROPRIATION.** Of the general fund  
 437.6 appropriation, \$140,000 for fiscal year  
 437.7 2007 is for a grant to the new chance  
 437.8 program. The new chance program shall  
 437.9 provide comprehensive services through a  
 437.10 private, nonprofit agency to young parents in  
 437.11 Hennepin County who have dropped out of  
 437.12 school and are receiving public assistance.

437.13 The program administrator shall report  
 437.14 annually to the commissioner of human  
 437.15 services on skills development, education,  
 437.16 job training, and job placement outcomes  
 437.17 for program participants. This appropriation  
 437.18 shall become part of base level funding for  
 437.19 the biennium beginning July 1, 2007.

437.20 **FOOD PROGRAM SURPLUS**

437.21 **REDUCTION.** The general fund base  
 437.22 for the Minnesota food assistance program is  
 437.23 reduced by \$370,000 in fiscal year 2006 and  
 437.24 by \$452,000 in fiscal year 2007.

437.25 (e) Group Residential Housing Grants -0- 168,000

437.26 **Subd. 3. Children and Economic Assistance**  
 437.27 **Management**

437.28 Summary by Fund

437.29	<u>General</u>	<u>9,000</u>	<u>26,000</u>
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437.30	<u>Federal TANF</u>	<u>-0-</u>	<u>292,000</u>
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437.31 **(a) Children and Economic Assistance**

437.32 **Administration**

438.1	<u>General</u>	<u>-0-</u>	<u>7,000</u>
438.2	<u>Federal TANF</u>	<u>-0-</u>	<u>51,000</u>
438.3	<u>(b) Children and Economic Assistance</u>		
438.4	<u>Operations</u>		
438.5	<u>General</u>	<u>9,000</u>	<u>19,000</u>
438.6	<u>Federal TANF</u>	<u>-0-</u>	<u>241,000</u>
438.7	<b><u>CHILDREN AND ECONOMIC</u></b>		
438.8	<b><u>ASSISTANCE OPERATIONS BASE</u></b>		
438.9	<b><u>LEVEL ADJUSTMENT. The general fund</u></b>		
438.10	<b><u>base for children and economic assistance</u></b>		
438.11	<b><u>operations shall be decreased by \$19,000 in</u></b>		
438.12	<b><u>fiscal year 2008 and by \$19,000 in fiscal year</u></b>		
438.13	<b><u>2009.</u></b>		
438.14	<b><u>CHILDREN AND ECONOMIC</u></b>		
438.15	<b><u>ASSISTANCE OPERATIONS TANF</u></b>		
438.16	<b><u>BASE LEVEL ADJUSTMENT. The TANF</u></b>		
438.17	<b><u>base for children and economic assistance</u></b>		
438.18	<b><u>operations shall be decreased by \$241,000</u></b>		
438.19	<b><u>in fiscal year 2008 and by \$241,000 in fiscal</u></b>		
438.20	<b><u>year 2009.</u></b>		
438.21	<b><u>Subd. 4. Health Care Grants</u></b>		
438.22	<b><u>Summary by Fund</u></b>		
438.23	<u>General</u>	<u>-0-</u>	<u>4,439,000</u>
438.24	<u>Health Care Access</u>	<u>-0-</u>	<u>25,806,000</u>
438.25	<b><u>(a) MinnesotaCare Grants</u></b>		
438.26	<u>Health Care Access</u>	<u>-0-</u>	<u>8,304,000</u>
438.27	<b><u>TRANSFER TO MINNESOTA</u></b>		
438.28	<b><u>PHARMACY ACCESS ACCOUNT.</u></b>		
438.29	<b><u>Notwithstanding Minnesota Statutes,</u></b>		
438.30	<b><u>section 295.581, the commissioner of</u></b>		
	<b><u>Article 26 Sec. 2.</u></b>		

439.1 finance shall transfer \$1,925,000 from the  
 439.2 health care access fund to the Minnesota  
 439.3 pharmacy access account in fiscal year  
 439.4 2008 and \$916,000 in fiscal year 2009.

439.5 Notwithstanding any provision in this article  
 439.6 to the contrary, this paragraph shall expire  
 439.7 on June 30, 2009.

439.8 (b) Medical Assistance Basic Health Care -  
 439.9 Families and Children

439.10 General -0- 75,000

439.11 Health Care Access -0- 3,532,000

439.12 (c) Medical Assistance Basic Health Care -  
 439.13 Elderly and Disabled

439.14 General -0- (472,000)

439.15 Health Care Access -0- 11,420,000

439.16 (d) General Assistance Medical Care -0- 4,836,000

439.17 (e) Other Health Care Grants

439.18 Health Care Access -0- 2,550,000

439.19 DENTAL GRANTS. Of the health care  
 439.20 access fund appropriation, \$300,000 in fiscal  
 439.21 year 2007 is for grants to nonprofit dental  
 439.22 providers under Minnesota Statutes, section  
 439.23 256B.76, paragraph (d). This appropriation  
 439.24 shall become part of base level funding for  
 439.25 the biennium beginning July 1, 2007.

439.26 CRITICAL ACCESS DENTAL

439.27 PROVIDERS. (a) Of the health care access  
 439.28 fund appropriation, \$3,532,000 in fiscal  
 439.29 year 2007 only is for critical access dental

440.1 provider rates and \$78,000 is for related  
440.2 administrative costs.

440.3 (b) Notwithstanding Minnesota Statutes,  
440.4 section 256B.76, paragraph (c), effective for  
440.5 dental services provided between October 1,  
440.6 2006, and June 30, 2007, the commissioner  
440.7 shall increase reimbursement rates for  
440.8 dentists and dental clinics deemed to be  
440.9 critical access dental providers by 38 percent  
440.10 above the reimbursement rate that would  
440.11 otherwise be paid to the provider. Payments  
440.12 to prepaid health plans made on or after  
440.13 January 1, 2007, shall be adjusted to reflect  
440.14 these increases.

440.15 (c) By February 15, 2007, the commissioner  
440.16 shall report to the legislature on the results  
440.17 of higher payments to critical access dental  
440.18 providers and with recommendations on  
440.19 funding sources to continue these higher  
440.20 payments in effect after June 30, 2007.

440.21 **INTENSIVE CARE MANAGEMENT. (a)**  
440.22 Of the health care access fund appropriation,  
440.23 \$1,505,000 for fiscal year 2007 is for the  
440.24 intensive care management pilot program  
440.25 established under Minnesota Statutes, section  
440.26 256B.075, subdivision 2, paragraph (d), of  
440.27 which \$5,000 is for systems costs and the  
440.28 remainder is to be distributed as follows:

440.29 (1) \$300,000 is to be paid under a contract  
440.30 with the neighborhood health care network  
440.31 for the community care network project that  
440.32 consists of a network of safety net clinics and  
440.33 health centers working in cooperation with  
440.34 a safety net hospital, a health plan, and the

441.1 Department of Human Services to improve  
441.2 care coordination services;  
441.3 (2) of the balance remaining after the  
441.4 payment made under clause (1), 60 percent  
441.5 shall be paid in grants to federally qualified  
441.6 health centers, as defined in Minnesota  
441.7 Statutes, section 256B.075, subdivision 2,  
441.8 paragraph (d), in proportion to each center's  
441.9 amount of discounts granted to patients  
441.10 during calendar year 2005 as reported on  
441.11 the federal Uniform Data Systems report in  
441.12 conformance with the Bureau of Primary  
441.13 Health Care Program Expectations Policy  
441.14 Information Notice 98-23, except that each  
441.15 eligible federally qualified health center shall  
441.16 receive at least \$10,000 but no more than  
441.17 20 percent of the total amount of money  
441.18 available under this clause;  
441.19 (3) the balance remaining after the payments  
441.20 made under clauses (1) and (2) shall be paid  
441.21 in grants to community clinics, as defined  
441.22 in Minnesota Statutes, section 256B.075,  
441.23 subdivision 2, paragraph (d), to be distributed  
441.24 based on each clinic's proportionate amount  
441.25 of contribution to patients as determined in  
441.26 accordance with the clinic's formal policy for  
441.27 sliding fee discounts approved by the clinic's  
441.28 board of directors, as reported by each clinic,  
441.29 except that each eligible community clinic  
441.30 shall receive at least \$10,000 but no more  
441.31 than 20 percent of the total amount of money  
441.32 available under this clause; and  
441.33 (4) the commissioner shall pay the amounts  
441.34 at the beginning of the fiscal year, even if  
441.35 federal approval has not yet been granted.

442.1 (b) Base level funding for this activity shall  
 442.2 be \$1,500,000 each year for the biennium  
 442.3 beginning July 1, 2007.

442.4 MINNESOTACARE OUTREACH. Of  
 442.5 the health care access fund appropriation,  
 442.6 \$750,000 in fiscal year 2007 is for the  
 442.7 MinnesotaCare outreach grants under  
 442.8 Minnesota Statutes, section 256L.04,  
 442.9 subdivision 4.

442.10 MINNESOTACARE OUTREACH  
 442.11 REIMBURSEMENT. Federal  
 442.12 administrative reimbursement resulting from  
 442.13 MinnesotaCare outreach is appropriated to  
 442.14 the commissioner for this activity.

442.15 Subd. 5. Health Care Management

442.16 Summary by Fund

442.17	<u>General</u>	<u>-0-</u>	<u>1,508,000</u>
442.18	<u>Health Care Access</u>	<u>-0-</u>	<u>3,661,000</u>

442.19 (a) Health Care Administration

442.20	<u>General</u>	<u>-0-</u>	<u>1,428,000</u>
442.21	<u>Health Care Access</u>	<u>-0-</u>	<u>843,000</u>

442.22 HEALTH CARE ADMINISTRATION  
 442.23 HEALTH CARE ACCESS BASE LEVEL  
 442.24 ADJUSTMENT. The health care access  
 442.25 fund base for health care administration shall  
 442.26 be increased by \$420,000 in fiscal year 2008  
 442.27 and shall be decreased by \$7,000 in fiscal  
 442.28 year 2009.

442.29 HEALTH CARE ADMINISTRATION  
 442.30 BASE LEVEL ADJUSTMENT.  
 442.31 The general fund base for health care  
 442.32 administration shall be increased by

443.1 \$195,000 in fiscal year 2008 and shall be  
 443.2 decreased by \$382,000 in fiscal year 2009.

443.3 (b) Health Care Operations

443.4 General -0- 80,000

443.5 Health Care Access -0- 2,818,000

443.6 HEALTHMATCH DELAY. The  
 443.7 commissioner shall delay implementation of  
 443.8 the HealthMatch program by two months.

443.9 Of the health care access fund appropriation,  
 443.10 \$929,000 in fiscal year 2007 is for the  
 443.11 administrative costs of the two-month delay.

443.12 HEALTH CARE OPERATIONS BASE

443.13 LEVEL ADJUSTMENT. The general fund  
 443.14 base for health care operations shall be  
 443.15 decreased by \$38,000 in fiscal year 2008 and  
 443.16 increased by \$32,000 in fiscal year 2009.

443.17 HEALTH CARE OPERATIONS

443.18 HEALTH CARE ACCESS FUND BASE

443.19 LEVEL ADJUSTMENT. The health care  
 443.20 access fund base for health care operations  
 443.21 shall be increased by \$482,000 in fiscal year  
 443.22 2008 and \$496,000 in fiscal year 2009.

443.23 Subd. 6. Continuing Care Grants

443.24 General 1,500,000 (1,522,000)

443.25 (a) Aging and Adult Grants

443.26 General -0- 25,000

443.27 MEDICARE PART D INFORMATION

443.28 AND ASSISTANCE REIMBURSEMENT.

443.29 Federal administrative reimbursement  
 443.30 obtained from information and assistance  
 443.31 services provided by the Senior LinkAge or



444.1 Disability Linkage lines to people who are  
 444.2 identified as eligible for medical assistance  
 444.3 shall be appropriated to the commissioner  
 444.4 for this activity.

444.5 **AGING AND ADULT GRANTS BASE**

444.6 **LEVEL ADJUSTMENT.** Base level  
 444.7 funding for aging and adult grants shall be  
 444.8 reduced in fiscal year 2008 by \$25,000 and  
 444.9 by \$25,000 in fiscal year 2009.

444.10 (b) Alternative Care Grants -0- 3,337,000

444.11 **ALTERNATIVE CARE BASE LEVEL**

444.12 **ADJUSTMENT.** Base level funding for  
 444.13 alternative care grants shall be reduced by  
 444.14 \$1,737,000 in fiscal year 2008 and reduced  
 444.15 by \$2,504,000 in fiscal year 2009.

444.16 (c) Medical Assistance Long-Term Care

444.17 Facilities -0- (1,874,000)

444.18 **TEMPORARY RATE INCREASE.** Of the

444.19 general fund appropriation, \$29,000 in fiscal  
 444.20 year 2007 is for a temporary rate increase  
 444.21 equivalent to six percent of the operating rate  
 444.22 in effect on July 1, 2006, for a day training  
 444.23 and habilitation provider in Meeker County  
 444.24 providing services to up to 110 individuals.  
 444.25 This rate increase shall be in effect only until  
 444.26 June 30, 2007.

444.27 (d) Medical Assistance Long-Term Care

444.28 Waivers -0- (415,000)

444.29 **ADDITIONAL WAIVER**

444.30 **ALLOCATIONS.** Notwithstanding  
 444.31 the waiver growth limits in Laws 2005,  
 444.32 First Special Session chapter 4, article 9,  
 444.33 section 2, paragraph (d), the commissioner

445.1 may allocate an additional waiver allocation  
 445.2 under Minnesota Statutes, section 256B.49,  
 445.3 for a recipient of personal care assistant  
 445.4 services who is eligible for and chooses  
 445.5 waivered services and received personal care  
 445.6 assistant services from a provider who was  
 445.7 billing for a service delivery model for that  
 445.8 recipient other than individual or shared care  
 445.9 on March 1, 2006.

445.10 (e) Mental Health Grants -0- (2,595,000)

445.11 **MENTAL HEALTH GRANTS BASE**

445.12 **LEVEL ADJUSTMENT.** The general  
 445.13 fund base for mental health grants shall be  
 445.14 decreased by \$2,893,000 in fiscal year 2008  
 445.15 and \$8,043,000 in fiscal year 2009.

445.16 (f) Chemical Dependency Nonentitlement  
 445.17 Grants -0- -0-

445.18 **METHAMPHETAMINE**

445.19 **COORDINATOR.** The following  
 445.20 amounts shall be transferred from the federal  
 445.21 chemical health block grant fund to the  
 445.22 commissioner of health for the fiscal years  
 445.23 indicated for the purposes of Minnesota  
 445.24 Statutes, section 144.90: \$82,000 in fiscal  
 445.25 year 2007; \$205,000 in fiscal year 2008; and  
 445.26 \$205,000 in fiscal year 2009.

445.27 **Subd. 7. Continuing Care Management**

445.28 Summary by Fund

445.29 General -0- 881,000

445.30 Health Care Access -0- -0-

445.31 **CONTINUING CARE MANAGEMENT**

445.32 **BASE LEVEL ADJUSTMENT.** The

446.1 general fund base for continuing care  
 446.2 management shall be decreased by \$200,000  
 446.3 in fiscal year 2008 and decreased by  
 446.4 \$386,000 in fiscal year 2009.

446.5 Subd. 8. State-operated Services 30,570,000 44,628,000

446.6 **STATE-OPERATED SERVICES BASE**  
 446.7 **LEVEL ADJUSTMENT.** The general fund  
 446.8 base for state-operated services shall be  
 446.9 increased by \$758,000 in fiscal year 2008 and  
 446.10 decreased by \$3,694,000 in fiscal year 2009.

446.11 **MINNESOTA SECURITY HOSPITAL.**  
 446.12 For the purposes of enhancing the safety  
 446.13 of the public, improving supervision, and  
 446.14 enhancing community-based mental health  
 446.15 treatment, state-operated services may  
 446.16 establish additional community capacity  
 446.17 for providing treatment and supervision  
 446.18 of clients who have been ordered into a  
 446.19 less restrictive alternative of care from the  
 446.20 state-operated services transition services  
 446.21 program consistent with Minnesota Statutes,  
 446.22 section 246.014.

446.23 **MINNESOTA SECURITY HOSPITAL**  
 446.24 **DISCHARGE PLANNING.** The  
 446.25 commissioner shall study the feasibility of  
 446.26 requiring the Minnesota Security Hospital  
 446.27 to take full responsibility for the provisional  
 446.28 discharge planning for patients moving from  
 446.29 the St. Peter Campus into the community  
 446.30 under the process outlined by Minnesota  
 446.31 Statutes, section 253B.18, subdivision 8. The  
 446.32 commissioner shall report the results of the  
 446.33 study to the legislature by January 15, 2007.

446.34 **STATE-OPERATED SERVICES**  
 446.35 **SALARY DEFICIT.** The state-operated

447.1 services salary deficit of \$6,833,000 in fiscal  
 447.2 year 2006 and \$10,274,000 in fiscal year  
 447.3 2007 shall be absorbed by the Department of  
 447.4 Human Services, excluding state-operated  
 447.5 services.

447.6 **Sec. 3. COMMISSIONER OF HEALTH**

447.7 **Subdivision 1. Total Appropriation** -0- 12,064,000

447.8 Summary by Fund

447.9	<u>General</u>	-0-	<u>2,510,000</u>
7.10	<u>Health Care Access Fund</u>	-0-	<u>9,414,000</u>
447.11	<u>State Government Special</u>		
447.12	<u>Revenue</u>	-0-	<u>140,000</u>

447.13 The appropriations in this section are added  
 447.14 to appropriations in Laws 2005, First Special  
 447.15 Session chapter 4, article 9, section 3.

447.16 **Subd. 2. Health Protection**

447.17 Summary by Fund

7.18	<u>General</u>	-0-	<u>2,510,000</u>
447.19	<u>State Government Special</u>		
447.20	<u>Revenue Fund</u>	-0-	<u>140,000</u>

447.21 **HEALTH PROTECTION BASE LEVEL**

447.22 **ADJUSTMENT.** The general fund base  
 447.23 for health protection shall be decreased  
 447.24 by \$2,510,000 in fiscal year 2008 and  
 447.25 \$2,510,000 in fiscal year 2009.

447.26 **HEALTH PROTECTION STATE**

447.27 **GOVERNMENT SPECIAL REVENUE**

447.28 **BASE LEVEL ADJUSTMENT.** The state  
 447.29 government special revenue fund base for  
 447.30 health protection shall be increased by

448.1 \$140,000 in fiscal year 2008 and \$140,000 in  
448.2 fiscal year 2009.

448.3 **PANDEMIC INFLUENZA**

448.4 **PREPAREDNESS. (a) Of the**  
448.5 **general fund appropriation, \$2,510,000 in**  
448.6 **fiscal year 2007 only is for preparation,**  
448.7 **planning, and response to an outbreak of**  
448.8 **influenza. Of this amount, \$2,410,000 is**  
448.9 **to purchase antivirals and supplies and**  
448.10 **\$100,000 is for mass clinic development and**  
448.11 **planning, including training and technical**  
448.12 **assistance for local public health.**

448.13 **(b) By February 15, 2007, the commissioner**  
448.14 **shall report to the legislature on the results**  
448.15 **of funding for this initiative and with**  
448.16 **recommendations on funding sources to**  
448.17 **continue these activities after June 30, 2007.**

448.18 **HIV/AIDS PREVENTION. (a) The**  
448.19 **commissioner shall allocate \$135,000 of the**  
448.20 **federal HIV prevention grant to establish a**  
448.21 **toll-free telephone line to provide information**  
448.22 **and counseling on HIV/AIDS, contingent on**  
448.23 **the approval of the Community Cooperative**  
448.24 **Council on HIV/AIDS prevention.**

448.25 **(b) The commissioner shall not cap HIV**  
448.26 **prevention grants. Notwithstanding any**  
448.27 **provision in this article to the contrary, this**  
448.28 **paragraph shall not expire.**

448.29 **Subd. 3. Policy Compliance and Quality**

448.30 **Summary by Fund**

448.31	<u>Health Care Access Fund</u>	<u>-0-</u>	<u>9,414,000</u>
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448.32 **POLICY QUALITY AND**

448.33 **COMPLIANCE GENERAL**

449.1 **FUND BASE LEVEL ADJUSTMENT.**

449.2 The policy quality and compliance general  
 449.3 fund base shall be increased by \$1,887,000  
 449.4 in fiscal year 2008 and \$1,887,000 in fiscal  
 449.5 year 2009.

449.6 **POLICY QUALITY AND**449.7 **COMPLIANCE HEALTH CARE**449.8 **ACCESS FUND BASE LEVEL**

449.9 **ADJUSTMENT.** The health care access  
 449.10 fund base for policy quality and compliance  
 449.11 shall be decreased by \$9,121,000 in fiscal  
 449.12 year 2008 and \$9,121,000 in fiscal year 2009.

449.13 **Sec. 4. VETERANS NURSING HOMES**449.14 **BOARD**2,448,0004,560,000

449.15 This appropriation is added to appropriations  
 449.16 in Laws 2005, First Special Session  
 449.17 chapter 4, article 9, section 4. Of this  
 449.18 appropriation, \$1,868,000 in fiscal year 2006  
 449.19 and \$2,159,000 in fiscal year 2007 is to  
 449.20 supplement nursing staff at the Minneapolis  
 449.21 facility. The board shall negotiate with  
 449.22 state bargaining units to address wages,  
 449.23 benefits, and the staffing skill mix in order  
 449.24 to appropriately serve the acuity level of  
 449.25 residents.

449.26 **BASE LEVEL ADJUSTMENT.** The

449.27 general fund base for the board shall be  
 449.28 increased by \$3,981,000 in fiscal year 2008  
 449.29 and \$3,981,000 in fiscal year 2009.

449.30 **Sec. 5. HEALTH-RELATED BOARDS**449.31 **Subdivision 1. State Government Special**449.32 **Revenue**514,000622,000

450.1 BASE LEVEL ADJUSTMENT. The state  
 450.2 government special revenue fund base for the  
 450.3 health-related boards shall be decreased by  
 450.4 \$505,000 in fiscal year 2008 and \$505,000 in  
 450.5 fiscal year 2009.

450.6 Subd. 2. Board of Chiropractic Examiners 5,000 5,000

450.7 BOARD OF CHIROPRACTIC  
 450.8 EXAMINERS APPROPRIATION  
 450.9 INCREASE. (a) This appropriation is  
 450.10 added to appropriations in Laws 2005,  
 450.11 First Special Session chapter 4, article 9,  
 450.12 section 5, subdivision 3. This is a onetime  
 450.13 appropriation.

450.14 (b) This increase is to correct programming  
 450.15 difficulties incurred during implementation  
 450.16 of payment processing changes.

450.17 Subd. 3. Board of Dentistry -0- 67,000

450.18 BOARD OF DENTISTRY  
 450.19 APPROPRIATION INCREASE.  
 450.20 (a) This appropriation is added to  
 450.21 appropriations in Laws 2005, First Special  
 450.22 Session chapter 4, article 9, section 5,  
 450.23 subdivision 4.

450.24 (b) This increase is to retain a legal analyst  
 450.25 as part of the board staff.

450.26 Subd. 4. Board of Medical Practice 500,000 500,000

450.27 BOARD OF MEDICAL PRACTICE  
 450.28 INCREASE. (a) This appropriation is  
 450.29 added to appropriations in Laws 2005,  
 450.30 First Special Session chapter 4, article 9,  
 450.31 section 5, subdivision 7. This is a onetime  
 450.32 appropriation.

451.1 (b) This increase is to cover higher than  
 451.2 expected costs of investigation and legal  
 451.3 action.

451.4 Subd. 5. Board of Physical Therapy 9,000 -0-

451.5 **BOARD OF PHYSICAL THERAPY**  
 451.6 **APPROPRIATION INCREASE. (a) This**  
 451.7 **appropriation is added to appropriations in**  
 451.8 **Laws 2005, First Special Session chapter 4,**  
 451.9 **article 9, section 5, subdivision 12. This is a**  
 451.10 **onetime appropriation.**

451.11 (b) This increase is to correct programming  
 451.12 difficulties incurred during implementation  
 451.13 of payment processing changes.

451.14 Subd. 6. Emergency Medical Services Board -0- 50,000

451.15 **EMERGENCY MEDICAL SERVICES**  
 451.16 **BOARD APPROPRIATION INCREASE.**  
 451.17 **(a) This appropriation is added to**  
 451.18 **appropriations in Laws 2005, First Special**  
 451.19 **Session chapter 4, article 9, section 5,**  
 451.20 **subdivision 12.**

451.21 (b) This increase is to be spent by the health  
 451.22 professional service program from the state  
 451.23 government special revenue fund.

451.24 **Sec. 6. ENDOWMENT FUND TRANSFERS**  
 451.25 **On June 30, 2006, the commissioner of**  
 451.26 **finance shall transfer the balances in the**  
 451.27 **tobacco use prevention and local public**  
 451.28 **health endowment fund and the medical**  
 451.29 **education endowment fund to the general**  
 451.30 **fund. These balances result from investment**  
 451.31 **income credited to the funds after the transfer**  
 451.32 **of balances on July 1, 2003. The amount**



452.1 transferred under this section is estimated to  
452.2 be \$2,933,000.

452.3 Sec. 7. Minnesota Statutes 2004, section 245.771, is amended by adding a subdivision  
452.4 to read:

452.5 Subd. 4. Food stamp bonus awards. In the event that Minnesota qualifies for  
452.6 the United States Department of Agriculture Food and Nutrition Services Food Stamp  
452.7 Program performance bonus awards, the funding is appropriated to the commissioner. The  
452.8 commissioner shall retain 25 percent of the funding, with the other 75 percent divided  
452.9 among the counties according to a formula that takes into account each county's impact  
452.10 on state performance in the applicable bonus categories.

452.11 Sec. 8. Minnesota Statutes 2004, section 256.01, is amended by adding a subdivision  
452.12 to read:

452.13 Subd. 24. Funding from other than state funds. Notwithstanding sections  
452.14 16A.013 to 16A.016, the commissioner may accept, on behalf of the state, additional  
452.15 funding from sources other than state funds for the purpose of financing the cost of  
452.16 assistance program grants or nongrant administration. All additional funding under this  
452.17 subdivision is appropriated to the commissioner for use as designated by the grantor of  
452.18 funding.

452.19 Sec. 9. Minnesota Statutes 2004, section 256.014, is amended by adding a subdivision  
452.20 to read:

452.21 Subd. 5. Systems account management. Money appropriated for computer  
452.22 projects approved by the Office of Enterprise Technology, funded by the legislature, and  
452.23 approved by the commissioner of finance, may be transferred from one project to another  
452.24 and from development to operations as the commissioner of human services considers  
452.25 necessary. Any unexpended balance in the appropriation for these projects does not cancel  
452.26 but is available for ongoing development and operations.

452.27 Sec. 10. Minnesota Statutes 2004, section 256.014, is amended by adding a subdivision  
452.28 to read:

452.29 Subd. 6. Systems continuity. In the event of disruption of technical systems or  
452.30 computer operations, the commissioner may use available grant appropriations to ensure  
452.31 continuity of payments for maintaining the health, safety, and well-being of clients served

453.1 by programs administered by the Department of Human Services. Grant funds must be  
453.2 used in a manner consistent with the original intent of the appropriation.

453.3 Sec. 11. Minnesota Statutes 2004, section 518.5852, is amended to read:

453.4 **518.5852 CENTRAL COLLECTIONS UNIT.**

453.5 Subdivision 1. Creation and maintenance. The commissioner of human services  
453.6 shall create and maintain a central collections unit for the purpose of receiving, processing,  
453.7 and disbursing payments, and for maintaining a record of payments, in all cases in which:

453.8 (1) the state or county is a party;

453.9 (2) the state or county provides child support enforcement services to a party; or

453.10 (3) payment is collected through income withholding.

453.11 The commissioner may contract for services to carry out these provisions,  
453.12 provided that the commissioner first meets and negotiates with the affected exclusive  
453.13 representatives.

453.14 Subd. 2. Deposit of payments. Payments to the commissioner from other  
453.15 governmental units, private enterprises, and individuals for services performed by the  
453.16 central collections unit must be deposited in the state systems account authorized under  
453.17 section 256.014. These payments are appropriated to the commissioner for the operation  
453.18 of the child support payment center or system, according to section 256.014.

453.19 Sec. 12. **SUNSET OF UNCODIFIED LANGUAGE.**

453.20 All uncodified language contained in this article expires on June 30, 2007, unless a  
453.21 different expiration date is explicit.

453.22 Sec. 13. **REPEALER.**

453.23 Minnesota Statutes 2004, section 62J.694, subdivision 5, is repealed.

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ARTICLE 2 EARLY CHILDHOOD EDUCATION ..... Page.Ln 4.3

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**119A.46 LEAD ABATEMENT PROGRAM.**

Subdivision 1. **Definitions.** (a) The definitions in section 144.9501 and in this subdivision apply to this section.

(b) "Eligible organization" means a lead contractor, city, board of health, community health department, community action agency as defined in section 256E.30, or community development corporation.

(c) "Commissioner" means the commissioner of health, or the commissioner of the Minnesota Housing Finance Agency as authorized by section 462A.05, subdivision 15c.

Subd. 2. **Grants; administration.** Within the limits of the available appropriation, the commissioner must develop a swab team services program which may make demonstration and training grants to eligible organizations to train workers to provide swab team services and swab team services for residential property. Grants may be awarded to nonprofit organizations to provide technical assistance and training to ensure quality and consistency within the statewide program. Grants must be awarded to help ensure full-time employment to workers providing swab team services and must be awarded for a two-year period.

Grants awarded under this section must be made in consultation with the commissioner of the Housing Finance Agency and representatives of neighborhood groups from areas at high risk for toxic lead exposure, a labor organization, the lead coalition, community action agencies, and the legal aid society. The consulting team must review grant applications and recommend awards to eligible organizations that meet requirements for receiving a grant under this section.

Subd. 3. **Applicants.** (a) Interested eligible organizations may apply to the commissioner for grants under this section. Two or more eligible organizations may jointly apply for a grant. Priority shall be given to community action agencies in greater Minnesota and to either community action agencies or neighborhood based nonprofit organizations in cities of the first class. Of the total annual appropriation, 12.5 percent may be used for administrative purposes. The commissioner may deviate from this percentage if a grantee can justify the need for a larger administrative allowance. Of this amount, up to five percent may be used by the commissioner for state administrative purposes. Applications must provide information requested by the commissioner, including at least the information required to assess the factors listed in paragraph (d).

(b) The commissioner must consult with boards of health to provide swab team services for purposes of secondary prevention. The priority for swab teams created by grants to eligible organizations under this section must be work assigned by the commissioner of health, or by a board of health if so designated by the commissioner of health, to provide secondary prevention swab team services to fulfill the requirements of section 144.9504, subdivision 6, in response to a lead order. Swab teams assigned work under this section by the commissioner, that are not engaged daily in fulfilling the requirements of section 144.9504, subdivision 6, must deliver swab team services in response to elevated blood lead levels as defined in section 144.9501, subdivision 9, where lead orders were not issued, and for purposes of primary prevention in census tracts known to be in areas at high risk for toxic lead exposure as described in section 144.9503, subdivision 2.

(c) Any additional money must be used for grants to establish swab teams for primary prevention under section 144.9503, in census tracts in areas at high risk for toxic lead exposure as determined under section 144.9503, subdivision 2.

(d) In evaluating grant applications, the commissioner must consider the following criteria:

- (1) the use of lead contractors and lead workers for residential swab team services;
- (2) the participation of neighborhood groups and individuals, as swab team workers, in areas at high risk for toxic lead exposure;
- (3) plans for the provision of swab team services for primary and secondary prevention as required under subdivision 4;
- (4) plans for supervision, training, career development, and postprogram placement of swab team members;
- (5) plans for resident and property owner education on lead safety;
- (6) plans for distributing cleaning supplies to area residents and educating residents and property owners on cleaning techniques;
- (7) sources of other funding and cost estimates for training, lead inspections, swab team services, equipment, monitoring, testing, and administration;
- (8) measures of program effectiveness;
- (9) coordination of program activities with other federal, state, and local public health, job training, apprenticeship, and housing renovation programs including programs under sections 116L.86 to 116L.881; and

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(10) prior experience in providing swab team services.

Subd. 4. **Lead supervisor or certified firm.** (a) Eligible organizations and lead supervisors or certified firms may participate in the swab team program. An eligible organization receiving a grant under this section must assure that all participating lead supervisors or certified firms are licensed and that all swab team workers are certified by the Department of Health under section 144.9505. Eligible organizations and lead supervisors or certified firms may distinguish between interior and exterior services in assigning duties and may participate in the program by:

- (1) providing on-the-job training for swab team workers;
  - (2) providing swab team services to meet the requirements of sections 144.9503, subdivision 4, and 144.9504, subdivision 6;
  - (3) providing a removal and replacement component using skilled craft workers under subdivision 7;
  - (4) providing lead testing according to subdivision 8;
  - (5) providing lead dust cleaning supplies, as described in section 144.9507, subdivision 4, paragraph (c), to residents; or
  - (6) having a swab team worker instruct residents and property owners on appropriate lead control techniques, including the lead-safe directives developed by the commissioner of health.
- (b) Participating lead supervisors or certified firms must:
- (1) demonstrate proof of workers' compensation and general liability insurance coverage;
  - (2) be knowledgeable about lead abatement requirements established by the Department of Housing and Urban Development and the Occupational Safety and Health Administration and lead hazard reduction requirements and lead-safe directives of the commissioner of health;
  - (3) demonstrate experience with on-the-job training programs;
  - (4) demonstrate an ability to recruit employees from areas at high risk for toxic lead exposure; and
  - (5) demonstrate experience in working with low-income clients.

Subd. 5. **Swab team workers.** Each worker engaged in swab team services established under this section must have blood lead concentrations below 15 micrograms of lead per deciliter of whole blood as determined by a baseline blood lead screening. Any organization receiving a grant under this section is responsible for lead screening and must assure that all swab team workers meet the standards established in this subdivision. Grantees must use appropriate workplace procedures including following the lead-safe directives developed by the commissioner of health to reduce risk of elevated blood lead levels. Grantees and participating contractors must report all employee blood lead levels that exceed 15 micrograms of lead per deciliter of whole blood to the commissioner of health.

Subd. 6. **On-the-job training component.** (a) Programs established under this section must provide on-the-job training for swab team workers.

(b) Swab team workers must receive monetary compensation equal to the prevailing wage as defined in section 177.42, subdivision 6, for comparable jobs in the licensed contractor's principal business.

Subd. 7. **Removal and replacement component.** (a) Within the limits of the available appropriation and if a need is identified by a lead inspector, the commissioner may establish a component for removal and replacement of deteriorated paint in residential properties according to the following criteria:

- (1) components within a residence must have both deteriorated lead-based paint and substrate damage beyond repair or rotting wooden framework to be eligible for removal and replacement;
- (2) all removal and replacement must be done using least-cost methods and following lead-safe directives;
- (3) whenever windows and doors or other components covered with deteriorated lead-based paint have sound substrate or are not rotting, those components should be repaired, sent out for stripping, planed down to remove deteriorated lead-based paint, or covered with protective guards instead of being replaced, provided that such an activity is the least-cost method of providing the swab team service;
- (4) removal and replacement or repair must be done by lead contractors using skilled craft workers or trained swab team members; and
- (5) all craft work that requires a state license must be supervised by a person with a state license in the craft work being supervised. The grant recipient may contract for this supervision.

(b) The program design must:

- (1) identify the need for on-the-job training of swab team workers to be removal and replacement workers; and

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(2) describe plans to involve appropriate groups in designing methods to meet the need for training swab team workers.

Subd. 8. **Testing and evaluation.** (a) Testing of the environment is not necessary by swab teams whose work is assigned by the commissioner of health or a designated board of health under section 144.9504. The commissioner of health or designated board of health must share the analytical testing data collected on each residence for purposes of secondary prevention under section 144.9504 with the swab team workers in order to provide constructive feedback on their work and to the commissioner for the purposes set forth in paragraph (c).

(b) For purposes of primary prevention evaluation, the following samples must be collected: pretesting and posttesting of one noncarpeted floor dust lead sample and a notation of the extent and location of bare soil and of deteriorated lead-based paint. The analytical testing data collected on each residence for purposes of primary prevention under section 144.9503 must be shared with the swab team workers in order to provide constructive feedback on their work and to the commissioner for the purposes set forth in paragraph (c).

(c) The commissioner of health must establish a program to collect appropriate data as required under paragraphs (a) and (b), in order to conduct an ongoing evaluation of swab team services for primary and secondary prevention. Within the limits of available appropriations, the commissioner of health must conduct on up to 1,000 residences which have received primary or secondary prevention swab team services, a postremediation evaluation, on at least a quarterly basis for a period of at least two years for each residence. The evaluation must note the condition of the paint within the residence, the extent of bare soil on the grounds, and collect and analyze one noncarpeted floor dust lead sample. The data collected must be evaluated to determine the efficacy of providing swab team services as a method of reducing lead exposure in young children. In evaluating this data, the commissioner of health must consider city size, community location, historic traffic flow, soil lead level of the property by area or census tract, distance to industrial point sources that emit lead, season of the year, age of the housing, age and number of children living at the residence, the presence of pets that move in and out of the residence, and other relevant factors as the commissioner of health may determine.

Subd. 9. **Program benefits.** As a condition of providing swab team services under this section, an organization may require a property owner to not increase rents on a property solely as a result of a substantial improvement made with public funds under the programs in this section.

Subd. 10. **Requirements of organizations receiving grants.** An eligible organization that is awarded a training and demonstration grant under this section must prepare and submit a quarterly progress report to the commissioner beginning three months after receipt of the grant.

#### **119A.51 DEFINITIONS.**

Subdivision 1. **Scope.** As used in sections 119A.52 and 119A.53, the terms defined in this section have the meanings given them.

Subd. 2. **Program account 20.** "Program account 20" means the federally designated and funded account for training and technical assistance activities.

Subd. 3. **Program account 22.** "Program account 22" means the federally designated and funded account for basic services.

Subd. 4. **Program account 25.** "Program account 25" means the federally designated and funded account for parent child centers.

Subd. 5. **Start-up costs.** "Start-up costs" means onetime costs incurred in expanding services to additional children.

#### **119B.13 CHILD CARE RATES.**

Subd. 7. **Absent days.** Child care providers may not be reimbursed for more than 25 absent days per child, excluding holidays, in a fiscal year, or for more than ten consecutive absent days, unless the child has a documented medical condition that causes more frequent absences. Documentation of medical conditions must be on the forms and submitted according to the timelines established by the commissioner.

Subd. 7. **Absent days.** Child care providers may not be reimbursed for more than 25 absent days per child, excluding holidays, in a fiscal year, or for more than ten consecutive absent days, unless the child has a documented medical condition that causes more frequent absences. Documentation of medical conditions must be on the forms and submitted according to the timelines established by the commissioner.

#### **120A.20 ADMISSION TO PUBLIC SCHOOL.**

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Subd. 3. **Pupils, at least 21 years of age.** In addition to those admitted under subdivision 1, admission to a public secondary school is free to a person who is eligible under this subdivision. In order to be eligible, a person must be:

- (1) at least 21 years of age;
- (2) a resident of the district where the secondary school is located; and
- (3) eligible under section 124D.68, subdivision 2.

Free admission is limited to two school years or the equivalent, or until the pupil completes the courses required to graduate, whichever is less. A district that admits a person to school under this section must have a reasonable expectation that the person can obtain a diploma within two years.

### **121A.23 PROGRAMS TO PREVENT AND REDUCE THE RISKS OF SEXUALLY TRANSMITTED INFECTIONS AND DISEASES.**

Subdivision 1. **Sexually transmitted infections and diseases program.** The commissioner of education, in consultation with the commissioner of health, shall assist districts in developing and implementing a program to prevent and reduce the risk of sexually transmitted infections and diseases, including but not exclusive to human immune deficiency virus and human papilloma virus. Each district must have a program that includes at least:

- (1) planning materials, guidelines, and other technically accurate and updated information;
- (2) a comprehensive, technically accurate, and updated curriculum that includes helping students to abstain from sexual activity until marriage;
- (3) cooperation and coordination among districts and SCs;
- (4) a targeting of adolescents, especially those who may be at high risk of contracting sexually transmitted infections and diseases, for prevention efforts;
- (5) involvement of parents and other community members;
- (6) in-service training for appropriate district staff and school board members;
- (7) collaboration with state agencies and organizations having a sexually transmitted infection and disease prevention or sexually transmitted infection and disease risk reduction program;
- (8) collaboration with local community health services, agencies and organizations having a sexually transmitted infection and disease prevention or sexually transmitted infection and disease risk reduction program; and
- (9) participation by state and local student organizations.

The department may provide assistance at a neutral site to a nonpublic school participating in a district's program. District programs must not conflict with the health and wellness curriculum developed under Laws 1987, chapter 398, article 5, section 2, subdivision 7.

If a district fails to develop and implement a program to prevent and reduce the risk of sexually transmitted infection and disease, the department must assist the service cooperative in the region serving that district to develop or implement the program.

Subd. 2. **Funding sources.** Districts may accept funds for sexually transmitted infection and disease prevention programs developed and implemented under this section from public and private sources including public health funds and foundations, department professional development funds, federal block grants or other federal or state grants.

### **123B.749 STRUCTURALLY BALANCED SCHOOL DISTRICT BUDGETS.**

(a) Prior to approving a collective bargaining agreement that does not result from an interest arbitration decision, a school board must determine by board resolution that the proposed agreement will not cause structural imbalance in the district's budget during the period of the agreement.

(b) A school board may only determine that an agreement will not cause structural imbalance if expenditures will not exceed available funds, taking into account:

- (1) current state aid formulas; and
- (2) reasonable and comprehensive projections of ongoing revenues and expenditures for the period of the agreement. It is expected that onetime revenue may not be used for ongoing expenditures. The school board must make available with the resolution a summary of the projections and calculations supporting the determination. The projections and calculations must include state aid formulas, pupil units, and employee costs, including the terms of labor agreements, including the agreement under consideration, fringe benefits, severance pay, and staff changes.

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(c) In addition to the determination required in paragraph (a), the school board must project revenues, expenditures, and fund balances for one year following the period of the agreement. The projections must include the categories of information described in paragraph (b), be reasonable and comprehensive, and reference current state aid formulas.

(d) All projections and calculations required by this section must be made available to the public prior to and at the meeting where the resolution is adopted in a manner consistent with state law on public notice and access to public data.

(e) In an interest arbitration, the district must submit, and the exclusive bargaining representative may submit, proposed determinations with supporting projections and calculations consistent with paragraph (b) of the effect of the potential decision on the structural balance of the district's budget. The arbitrator must consider the potential effect of a decision on the structural balance of the district's budget for the term of the agreement. The arbitrator's decision must describe the effect of the decision on the structural balance of the district's budget in a manner consistent with paragraph (b). The arbitrator's decision must also show the effect of the decision on the school budget for one year following the term of the contract at issue. Within 30 days of receipt of the decision or when the board acts on the decision, whichever is earlier, the school board must by resolution determine the effect of the decision on the structural balance of its budget for the term of the agreement consistent with paragraph (b).

(f) A copy of the resolution with the supporting projections and calculations must be submitted to the commissioner of education with the uniform collective bargaining agreement settlement document within 30 days of adoption of the resolution. The commissioner must develop a model form for use by districts in reporting projections and calculations. The commissioner must make all resolutions, projections, and calculations available to the public.

(g) Compliance with this section by itself is not an unfair labor practice under section 179A.13, subdivision 2.

#### **125A.10 COORDINATING INTERAGENCY SERVICES.**

If at the time of initial referral for an educational assessment, or a reassessment, the district determines that a child with disabilities who is age 3 through 21 may be eligible for interagency services, the district may request that the county of residence provide a representative to the initial assessment or reassessment team meeting or the first individual education plan team meeting following the assessment or reassessment. The district may request to have a county representative attend other individual education plan team meetings when it is necessary to facilitate coordination between district and county provided services. Upon request from a district, the resident county shall provide a representative to assist the individual education plan team in determining the child's eligibility for existing health, mental health, or other support services administered or provided by the county. The individual education plan team and the county representative must develop an interagency plan of care for an eligible child and the child's family to coordinate services required under the child's individual education plan with county services. The interagency plan of care must include appropriate family information with the consent of the family, a description of how services will be coordinated between the district and county, a description of service coordinator responsibilities and services, and a description of activities for obtaining third-party payment for eligible services, including medical assistance payments. Any state, county, or city government agency responsible for providing services or resources to students with disabilities under this section is subject to the same dispute resolution systems as local school districts, and all such agencies must comply with corrective action requirements that ensue from these systems.

#### **125A.515 PLACEMENT OF STUDENTS; APPROVAL OF EDUCATION PROGRAM.**

Subd. 2. **Definition of care and treatment placement.** Students placed in the following public or private facilities are considered to be placed for care and treatment:

- (1) group foster home, Department of Corrections;
- (2) secure juvenile detention facilities, Department of Corrections;
- (3) juvenile residential facilities, Department of Corrections;
- (4) temporary holdover - eight day, Department of Corrections;
- (5) group homes, Department of Human Services;
- (6) residential academies, Department of Human Services;
- (7) transitional programs, Department of Human Services;
- (8) shelter care, Department of Human Services and Department of Corrections;



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- (9) shelter for homeless, Department of Human Services;
- (10) adult facilities that admit persons under the age of 22; and
- (11) residential treatment programs.

### **135A.031 APPROPRIATIONS FOR INSTRUCTIONAL SERVICES.**

Subd. 3. **Determination of instructional services base.** The instructional services base for each public postsecondary system is the sum of: (1) the state share; and (2) the legislatively estimated tuition for the second year of the most recent biennium; and (3) performance as calculated in subdivision 5.

Subd. 4. **Enrollments for budgeting.** For all purposes where student enrollment is used for budgeting purposes, student enrollment shall be measured in full-year equivalents and shall include only enrollments in courses that award credit or otherwise satisfy any of the requirements of an academic or vocational program.

Subd. 5. **Adjustment for performance.** Each public postsecondary system's instructional services base shall be adjusted, up to one percent, if the system meets the performance standards established by the system's governing board as part of the biennial budget document.

### **135A.033 PERFORMANCE FUNDING.**

The governing boards of the University of Minnesota and the Minnesota State Colleges and Universities, in conjunction with their respective campuses, shall each specify performance categories and indicators relating to section 135A.053, subdivision 1, to be used for policy and appropriations decisions, as well as allocations for rewarding campuses that achieve performance levels and assisting campuses that are unable to achieve these levels. Because the mission of each system and type of campus varies, categories and indicators shall vary accordingly.

### **136A.15 DEFINITIONS.**

Subd. 5. **Province.** "Province" means the Canadian province of Manitoba.

### **136A.1702 COMMISSION APPROVAL.**

The office shall obtain approval from the Legislative Advisory Commission prior to taking the following actions with regard to student loan programs described in Laws 1983, chapter 258:

- (1) implementing a loan program for parents and students eligible for auxiliary loans as defined in section 136A.15, subdivision 7;
- (2) acquiring student loans from other lenders to facilitate student loan programs provided for in section 136A.17; and
- (3) providing for programs of supplemental and additional loans as defined in section 136A.1701.

### **137.17 ROCHESTER BRANCH.**

Subd. 2. **Leadership.** The legislature intends that the Rochester branch strengthen the existing partnership of institutions in Rochester by providing better coordination and leadership in serving the needs of the region, while maintaining a cooperative basis among the institutions. The University of Minnesota is expected to take the leadership role in assessing community needs and facilitating the delivery of upper division and graduate academic programming and student services by existing higher education providers. It is the intent of the legislature that this branch not diminish the role or function of existing higher education institutions in Rochester or elsewhere in the region in which the state already has a significant investment.

Subd. 4. **Changes.** Major changes in the missions, programs, services or roles of the partner institutions shall be made in full consultation with the partner institutions and the systems.

### **169.4502 ADDITIONAL MINNESOTA SCHOOL BUS CHASSIS STANDARDS.**

Subd. 15. **Oil filter or oil filtration system.** An oil filtration system may be used in lieu of an oil filter.

### **169.4503 ADDITIONAL MINNESOTA SCHOOL BUS BODY STANDARDS.**

Subd. 17. **Mirrors.** After January 1, 1995, all school buses must be equipped with a minimum of two crossover mirrors, mounted to the left and right sides of the bus.

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Subd. 18. **Overall width.** The overall width limit excludes mirrors, mirror brackets, and the stop arm.

Subd. 26. **Crossing control arm.** If a bus is equipped with a crossing control arm, an automatic recycling interrupt switch may be installed for temporary disabling of the crossing control arm.

#### **17.10 BIENNIAL REPORTS.**

The commissioner shall, biennially, on or before November 15 in each even-numbered year, submit to the governor and the legislature a report of the department, with such recommendations and suggestions as the interests of agriculture and foods and marketing conditions require, and shall report, on or before November 15 of each even-numbered year, concerning official acts, showing official receipts and disbursements, and may issue public bulletins of information from time to time.

#### **245.465 DUTIES OF COUNTY BOARD.**

Subd. 2. **Residential and community support programs: 1992 salary increase.** In establishing, operating, or contracting for the provision of programs licensed under Minnesota Rules, parts 9520.0500 to 9520.0690 and programs funded under Minnesota Rules, parts 9535.0100 to 9535.1600, for the fiscal year beginning July 1, 1991, a county board's contract must reflect increased salaries by multiplying the total salaries, payroll taxes, and fringe benefits related to personnel below top management by three percent. This increase shall remain in the base for purposes of wage determination in future contract years. County boards shall verify in writing to the commissioner that each program has complied with this requirement. If a county board determines that a program has not complied with this requirement for a specific contract period, the county board shall reduce the program's payment rates for the next contract period to reflect the amount of money not spent appropriately. The commissioner shall modify reporting requirements for programs and counties as necessary to monitor compliance with this provision.

#### **256B.0571 LONG-TERM CARE PARTNERSHIP.**

Subd. 2. **Home care service.** "Home care service" means care described in section 144A.43.

Subd. 5. **Nursing home.** "Nursing home" means a nursing home as described in section 144A.01.

Subd. 11. **Total asset protection policies.** (a) A total asset protection policy must meet all of the requirements in subdivision 10, paragraphs (b) to (d), and this subdivision.

(b) Minimum coverage shall be for a period of not less than three years and for a dollar amount equal to 36 months of nursing home care at the minimum daily benefit rate determined and adjusted under paragraph (c).

(c) Minimum daily benefits shall be \$150 for nursing home care or \$75 for home care, with inflation protection provided in the policy as described in section 62S.23, subdivision 1, clause (1). These minimum daily benefit amounts shall also be adjusted by the commissioner on October 1 of each year by a percentage equal to the inflation protection feature described in section 62S.23, subdivision 1, clause (1), for purposes of setting minimum requirements that a policy must meet in future years in order to initially qualify as an approved policy under this subdivision. Adjusted minimum daily benefit amounts shall be rounded to the nearest whole dollar.

(d) The policy must cover all of the following services:

- (1) nursing home stay;
- (2) home care service; and
- (3) care management.

#### **256B.0945 RESIDENTIAL SERVICES FOR CHILDREN WITH SEVERE EMOTIONAL DISTURBANCE.**

Subd. 5. **Quality measures.** Counties must collect and report to the commissioner information on outcomes for services provided under this section using standardized tools that measure the impact of residential treatment programs on child functioning and/or behavior, living stability, and parent and child satisfaction consistent with the goals of section 245.4876, subdivision 1. The commissioner shall designate standardized tools to be used and shall collect and analyze individualized outcome data on a statewide basis and report to the legislature by

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December 1, 2003. The commissioner shall provide standardized tools that measure child and adolescent functionality, placement stability, and satisfaction for youth and family members.

**Subd. 6. Federal earnings.** Use of new federal funding earned from services provided under this section is limited to:

(1) increasing prevention and early intervention and supportive services to meet the mental health and child welfare needs of the children and families in the system of care;

(2) replacing reductions in federal IV-E reimbursement resulting from new medical assistance coverage;

(3) paying the nonfederal share of additional provider costs due to accreditation and new program standards necessary for Medicaid reimbursement; and

(4) paying for the costs of complying with the data collection and reporting requirements contained in subdivision 5.

For purposes of this section, prevention, early intervention, and supportive services for children and families include alternative responses to child maltreatment reports under chapter 626 and nonresidential children's mental health services outlined in section 245.4875, subdivision 2, and family preservation services outlined in Minnesota Statutes 2002, section 256F.05, subdivision 8.

**Subd. 7. Maintenance of effort.** (a) Counties that receive payment under this section must maintain a level of expenditures such that each year's county expenditures for prevention, early intervention, and supportive services for children and families is at least equal to that county's average expenditures for those services for calendar years 1998 and 1999.

(b) The commissioner may waive the requirements in paragraph (a) if any of the conditions specified in section 256F.13, subdivision 1, paragraph (a), clause (4), items (i) to (iv), are met.

**Subd. 8. Reports.** The commissioner shall review county expenditures annually using reports required under sections 245.482 and 256.01, subdivision 2, clause (17), to ensure that counties meet their obligation under subdivision 7, and that the base level of expenditures for prevention, early intervention, and supportive services for children and families and children's mental health residential treatment is continued from sources other than federal funds earned under this section.

**Subd. 9. Sanctions.** The commissioner may suspend, reduce, or terminate funds for prevention, early intervention, and supportive services for children and families up to the limit of federal revenue earned under this section to a county that does not meet one or all of the requirements of this section. If the commissioner finds evidence of children placed in residential treatment who do not meet the criteria outlined in section 245.4885, subdivision 1, the commissioner may take action to limit inappropriate placements in residential treatment.

#### **256B.83 MAINTENANCE OF EFFORT FOR CERTAIN MENTAL HEALTH SERVICES.**

Any net increase in revenue to the county as a result of the change in section 256B.0623 or 256B.0624 must be used to provide expanded mental health services as defined in sections 245.461 to 245.486, the Comprehensive Adult Mental Health Act, excluding inpatient and residential treatment. Increased revenue may also be used for services and consumer supports, which are part of adult mental health projects approved under section 245.4661. "Increased revenue" has the meaning given in Minnesota Rules, part 9520.0903, subpart 3.

#### **256J.626 MFIP CONSOLIDATED FUND.**

**Subd. 7. Performance base funds.** (a) Beginning calendar year 2005, each county and tribe will be allocated 95 percent of their initial calendar year allocation. Counties and tribes will be allocated additional funds based on performance as follows:

(1) for calendar year 2005, a county or tribe that achieves a 30 percent rate or higher on the MFIP participation rate under section 256J.751, subdivision 2, clause (8), as averaged across the four quarterly measurements for the most recent year for which the measurements are available, will receive an additional allocation equal to 2.5 percent of its initial allocation; and

(2) for calendar year 2006, a county or tribe that achieves a 40 percent rate or a five percentage point improvement over the previous year's MFIP participation rate under section 256J.751, subdivision 2, clause (8), as averaged across the four quarterly measurements for the most recent year for which the measurements are available, will receive an additional allocation equal to 2.5 percent of its initial allocation; and

(3) for calendar year 2007, a county or tribe that achieves a 50 percent rate or a five percentage point improvement over the previous year's MFIP participation rate under section 256J.751, subdivision 2, clause (8), as averaged across the four quarterly measurements for the

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most recent year for which the measurements are available, will receive an additional allocation equal to 2.5 percent of its initial allocation; and

(4) for calendar year 2008 and yearly thereafter, a county or tribe that achieves a 50 percent MFIP participation rate under section 256J.751, subdivision 2, clause (8), as averaged across the four quarterly measurements for the most recent year for which the measurements are available, will receive an additional allocation equal to 2.5 percent of its initial allocation; and

(5) for calendar years 2005 and thereafter, a county or tribe that performs above the top of its annualized range of expected performance on the three-year self-support index under section 256J.751, subdivision 2, clause (7), will receive an additional allocation equal to five percent of its initial allocation; or

(6) for calendar years 2005 and thereafter, a county or tribe that performs within its range of expected performance on the annualized three-year self-support index under section 256J.751, subdivision 2, clause (7), will receive an additional allocation equal to 2.5 percent of its initial allocation.

(b) Performance-based funds for a federally approved tribal TANF program in which the state and tribe have in place a contract under section 256.01, addressing consolidated funding, will be allocated as follows:

(1) for calendar year 2006 and yearly thereafter, a tribe that achieves the participation rate approved in its federal TANF plan using the average of four quarterly measurements for the most recent year for which the measurements are available, will receive an additional allocation equal to 2.5 percent of its initial allocation; and

(2) for calendar years 2006 and thereafter, a tribe that performs above the top of its annualized range of expected performance on the three-year self-support index under section 256J.751, subdivision 2, clause (7), will receive an additional allocation equal to five percent of its initial allocation; or

(3) for calendar years 2006 and thereafter, a tribe that performs within its range of expected performance on the annualized three-year self-support index under section 256J.751, subdivision 2, clause (7), will receive an additional allocation equal to 2.5 percent of its initial allocation.

(c) Funds remaining unallocated after the performance-based allocations in paragraph (a) are available to the commissioner for innovation projects under subdivision 5.

(d)(1) If available funds are insufficient to meet county and tribal allocations under paragraph (a), the commissioner may make available for allocation funds that are unobligated and available from the innovation projects through the end of the current biennium.

(2) If after the application of clause (1) funds remain insufficient to meet county and tribal allocations under paragraph (a), the commissioner must proportionally reduce the allocation of each county and tribe with respect to their maximum allocation available under paragraph (a).

**Subd. 9. Report.** The commissioner shall, in consultation with counties and tribes:

(1) determine how performance-based allocations under subdivision 7, paragraph (a), clauses (2) and (3), will be allocated to groupings of counties and tribes when groupings are used to measure expected performance ranges for the self-support index under section 256J.751, subdivision 2, clause (7); and

(2) determine how performance-based allocations under subdivision 7, paragraph (a), clauses (2) and (3), will be allocated to tribes.

The commissioner shall report to the legislature on the formulas developed in clauses (1) and (2) by January 1, 2004.

**256L.035 LIMITED BENEFITS COVERAGE FOR CERTAIN SINGLE ADULTS AND HOUSEHOLDS WITHOUT CHILDREN.**

(a) "Covered health services" for individuals under section 256L.04, subdivision 7, with income above 75 percent, but not exceeding 175 percent, of the federal poverty guideline means:

(1) inpatient hospitalization benefits with a ten percent co-payment up to \$1,000 and subject to an annual limitation of \$10,000;

(2) physician services provided during an inpatient stay; and

(3) physician services not provided during an inpatient stay; outpatient hospital services; freestanding ambulatory surgical center services; chiropractic services; lab and diagnostic services; diabetic supplies and equipment; and prescription drugs; subject to the following co-payments:

(i) \$50 co-pay per emergency room visit;

(ii) \$3 co-pay per prescription drug; and

(iii) \$5 co-pay per nonpreventive visit.

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The services covered under this section may be provided by a physician, physician ancillary, chiropractor, psychologist, or licensed independent clinical social worker if the services are within the scope of practice of that health care professional.

For purposes of this section, "a visit" means an episode of service which is required because of a recipient's symptoms, diagnosis, or established illness, and which is delivered in an ambulatory setting by any health care provider identified in this paragraph.

Enrollees are responsible for all co-payments in this section.

(b) Reimbursement to the providers shall be reduced by the amount of the co-payment, except that reimbursement for prescription drugs shall not be reduced once a recipient has reached the \$20 per month maximum for prescription drug co-payments. The provider collects the co-payment from the recipient. Providers may not deny services to recipients who are unable to pay the co-payment, except as provided in paragraph (c).

(c) If it is the routine business practice of a provider to refuse service to an individual with uncollected debt, the provider may include uncollected co-payments under this section. A provider must give advance notice to a recipient with uncollected debt before services can be denied.

**488A.03 COURT ADMINISTRATORS, DEPUTIES.**

Subd. 11b. **Criminal fees.** Notwithstanding the provisions of subdivision 11a, beginning June 1, 1977, all criminal fees shall be collected in Hennepin County Municipal Court pursuant to subdivision 11.

**62J.694 MEDICAL EDUCATION ENDOWMENT FUND.**

Subd. 5. **Effective date.** This section is only in effect if there are funds available in the medical education endowment fund.

- 1.1 Senator ..... moves to amend S.F. No. 3781 as follows:
- 1.2 Article 2 (Early Childhood Education)
- 1.3 Pages 5 to 7, delete sections 2 to 6
- 1.4 Page 9, delete section 9
- 1.5 Pages 11 to 13, delete sections 12 and 13
- 1.6 Page 14, lines 31 to 35, reinstate the stricken language and delete the new language
- 1.7 Page 15, lines 2 to 24, reinstate the stricken language and delete the new language
- 1.8 Page 16, delete lines 34 and 35
- 1.9 Pages 27, delete sections 32 and 33
- 1.10 Page 29, delete section 36
- 1.11 Page 30, delete section 39
- 1.12 Page 33, delete section 43
- 1.13 Page 35, line 27, delete "Minnesota Statutes 2004, section 119A.51, and"
- 1.14 Article 3 (General Education)
- 1.15 Pages 36 to 43, delete sections 1 to 11
- 1.16 Pages 45 to 47, delete sections 15 to 18
- 1.17 Page 48, delete section 21
- 1.18 Page 50, delete section 24
- 1.19 Article 4 (Education Excellence)
- 1.20 Pages 50 to 60, delete sections 1 to 9
- 1.21 Pages 62 to 67, delete sections 11 to 15
- 1.22 Pages 67 to 88, delete sections 17 to 43
- 1.23 Page 90, delete section 46
- 1.24 Page 91, delete section 49
- 1.25 Article 5 (Special Education)
- 1.26 Pages 91 to 98, delete sections 1 to 12
- 1.27 Page 99, delete section 14
- 1.28 Page 101, delete sections 17 and 18
- 1.29 Article 6 (Facilities, Accounting, and Technology)

- 2.1 Pages 101 to 106, delete sections 1 to 5
- 2.2 Pages 107 to 109, delete sections 7 to 9
- 2.3 Page 110, delete sections 12 and 13
- 2.4 Article 8 (State Agencies)
- 2.5 Pages 114 to 116, delete sections 1 to 6
- 2.6 Article 10 (Technical and Conforming Amendments)
- 2.7 Page 128, delete article 10
- 2.8 Article 11 (Higher Education)
- 2.9 Pages 138 to 141, delete sections 4 to 10
- 2.10 Pages 143 to 146, delete sections 16 to 18
- 2.11 Pages 147 to 150, delete sections 21 to 29
- 2.12 Pages 151 to 153, delete sections 32 to 37
- 2.13 Page 153, delete section 38 and insert:
- 2.14 "Sec. 38. **REPEALER.**
- 2.15 **Minnesota Statutes 2004, section 137.17, subdivisions 3 and 4, are repealed.**"
- 2.16 Article 12 (Environment, Natural Resources, and Agriculture)
- 2.17 Page 164, delete sections 14 and 15
- 2.18 Pages 167 to 169, delete sections 17 to 19
- 2.19 Article 13 (Clean Water Legacy)
- 2.20 Page 173, delete section 7
- 2.21 Article 14 (Economic Development)
- 2.22 Pages 181 to 185, delete sections 9 to 14
- 2.23 Pages 187 to 195, delete sections 18 to 37
- 2.24 Page 195, delete section 39
- 2.25 Pages 202 to 204, delete sections 56 to 59
- 2.26 Article 16 (Public Safety)
- 2.27 Page 217, delete section 9
- 2.28 Page 234, delete section 32
- 2.29 Article 17 (State Government)
- 2.30 Page 241, delete section 10

- 3.1 Pages 243 to 247, delete sections 13 to 15
- 3.2 Article 19 (Health Department)
- 3.3 Pages 253 to 260, delete sections 2 to 4
- 3.4 Pages 262 to 271, delete sections 6 to 16
- 3.5 Page 272, delete sections 18 to 20
- 3.6 Article 20 (Health Care)
- 3.7 Page 296, delete section 25
- 3.8 Page 331, delete section 61
- 3.9 Article 23 (Health and Human Services)
- 3.10 Pages 372, delete article 23
- 3.11 Article 24 (Children and Families Programs and Services)
- 3.12 Page 378, delete section 2
- 3.13 Page 382, delete section 6
- 3.14 Page 399, delete section 25
- 3.15 Pages 403 and 404, delete sections 29 to 31
- 3.16 Article 25 (Mental Health and Chemical Health)
- 3.17 Pages 411 to 415, delete sections 6 to 10
- 3.18 Article 26 (Health and Human Services Appropriations)
- 3.19 Pages 452 and 453, delete sections 9 to 11
- 3.20 Renumber the articles and sections in sequence and correct the internal references
- 3.21 Amend the title accordingly



1.1 Senator ..... moves to amend S.F. No. 3781 as follows:

1.2 Page 141, line 26, after "must" insert ", within four years of being licensed or  
1.3 registered as a postsecondary institution by the Office of Higher Education or another  
1.4 state agency, "

1.5 Page 141, line 30, delete "2009" and insert "2010"

1.6 Page 143, line 11, after "must" insert ", within four years of being licensed or  
1.7 registered as a postsecondary institution by the Office of Higher Education or another  
1.8 state agency, "

1.9 Page 143, line 15, delete "2009" and insert "2010"

1.1 Senator ..... moves to amend S.F. No. 3781 as follows:

1.2 Page 234, delete lines 26 to 28 and insert:

"

SUMMARY BY FUND

		<u>2006</u>		<u>2007</u>		<u>TOTAL</u>
1.4						
1.5	<u>General</u>	\$ 4,250,000	\$	5,057,000	\$	9,307,000
1.6	<u>Workers' Compensation</u>	\$ -0-	\$	320,000	\$	320,000
1.7	<u>TOTAL</u>	\$ 4,250,000	\$	5,377,000	\$	9,627,000

1.8 "

1.10 Page 236, after line 19, insert:

"

1.11	<u>Sec. 6. OFFICE OF ADMINISTRATIVE</u>					
1.12	<u>HEARINGS</u>			-0-		320,000

1.13 From the workers' compensation fund  
 1.14 for costs associated with the relocation  
 1.15 of offices to St. Paul. The commissioner  
 1.16 of administration shall take all steps as  
 1.17 necessary to complete the renovation of  
 1.18 the Stassen Building for these purposes by  
 1.19 June 30, 2007. Minnesota Statutes, section  
 1.20 16B.33, subdivision 3, does not apply if  
 1.21 the estimated cost of construction exceeds  
 1.22 \$2,000,000. This is a onetime appropriation.

1.23 Beginning in fiscal year 2009 and for all fiscal years thereafter, the appropriation base for  
 1.24 the workers' compensation fund for the Office of Administrative Hearings is reduced by  
 1.25 \$297,000 to reflect savings in rent costs due to the relocation of offices to St. Paul."

- 1.27 Correct the appropriation summaries
- 1.28 Renumber the sections in sequence and correct the internal references
- 1.29 Amend the title accordingly

1.1 Senator ..... moved to amend S.F. No. 3781 as follows:

2 Page 90, after line 18, insert:

1.3 "Sec. 48. CHARACTER DEVELOPMENT EDUCATION REVENUE; PILOT  
1.4 PROGRAM.

1.5 Subdivision 1. Pilot program created. A pilot program is created to allow school  
1.6 districts to receive character development education revenue to purchase comprehensive  
1.7 curriculum for the purposes of Minnesota Statutes, section 120B.232. Character  
1.8 development education revenue for school districts equals \$30 times the district's adjusted  
1.9 marginal cost pupil units.

1.10 Subd. 2. Approved provider list. The commissioner of education shall maintain  
1.11 a character development education curriculum approved provider list. The character  
1.12 development education curriculum of approved providers shall be research based and  
1.13 evaluated by an independent party. Approved character development education curriculum  
1.14 must include:

1.15 (1) age appropriate character development for the classroom in elementary and  
1.16 secondary grades;

1.17 (2) teacher training workshops and in-service training;

1.18 (3) midyear consulting between the school district and the provider; and

1.19 (4) an assessment program.

1.20 Subd. 3. Application and selection process. A school district may submit to  
1.21 the commissioner an application for funding in the form and manner specified by the  
1.22 commissioner. The commissioner shall approve applications that propose to use an  
1.23 approved provider and that agree to use the program as recommended by the provider.  
1.24 The commissioner must approve or disapprove an application within 30 days of receipt on  
1.25 a first-come, first-served basis.

1.26 EFFECTIVE DATE. This section is effective the day following final enactment."

1.27 Page 91, after line 15, insert:

1.28 "Subd. 6. Character development education revenue. For the character development  
1.29 education revenue pilot program:

1.30 \$ 500,000 ..... 2007"

1.31 Renumber the sections in sequence and correct the internal references

1.32 Amend the title accordingly

1.1 Senator ..... moves to amend S.F. No. 3781 as follows:

1.2 Page 274, line 14, delete "in the same county" and insert "located on the grounds  
1.3 of the Ah-Gwah-Ching campus"

1.4 Page 274, line 18, after the period, insert "For subsequent years, the property  
1.5 payment rate of \$25 shall be adjusted for inflation as provided in section 256B.434,  
1.6 subdivision 4, paragraph (c), a long as the facility has a contract under section 256B.434."

1.7 Page 320, line 13, after the period, insert "State and county workers must assist  
1.8 applicants in obtaining satisfactory documentary evidence of citizenship or nationality."

1.9 Page 326, line 15, delete "2007" and insert "2006"

1.10 Page 336, line 25, delete "federal law" and insert "section 6015 of the Deficit  
1.11 Reduction Act of 2005, Public Law 109-171"

1.12 Page 338, line 1, after "(b)" insert "Effective for applications filed on or after July  
1.13 1, 2006, and for renewals after July 1, 2006, for persons who first applied for payment  
1.14 of long-term care services on or after January 2, 2006,"

1.15 Page 345, line 10, delete the new language

1.16 Page 345, delete lines 11 and 12 and insert:

1.17 "(a) The commissioner, in cooperation with the commissioner of commerce, shall  
1.18 pursue any federal law changes or waiver necessary to implement the long-term care  
1.19 partnership program requirements of Public Law 109-171, section 6021.

1.20 "(b) The commissioner shall submit a state plan amendment to the federal government  
1.21 to implement the long-term care partnership program in accordance with this section."

1.22 Page 347, line 35, before "long-term" insert "or is receiving" and after "services"  
1.23 insert "or the individual's spouse"

1.24 Page 347, line 36, delete the colon

1.25 Page 348, line 1, delete "(1)"

1.26 Page 348, line 16, delete "; or" and insert a period

1.27 Page 348, delete line 17 and insert:

1.28 "(g) Effective for transactions, including the purchase of an annuity, occurring on  
1.29 or after February 8, 2006, the purchase of an annuity by or on behalf of an individual  
1.30 applying for or receiving long-term care services shall be treated as a disposal of assets for  
1.31 less than fair market value unless the annuity is:"

1.32 Page 348, line 30, delete "(g)" and insert "(h)"

2.1 Page 349, line 3, delete "(h)" and insert "(i)"

2.2 Page 349, line 4, delete "such" and insert "the"

2.3 Page 349, line 10, delete "paragraph (a)" and insert "clauses (1) to (3) of this  
2.4 paragraph" and delete "such" and insert "the"

2.5 Page 349, line 12, delete "(i)" and insert "(j)"

2.6 Page 351, after line 7, insert:

2.7 "**EFFECTIVE DATE.** Amendments to this section are effective for applications on  
2.8 or after July 1, 2006, and for renewals and reports of transfers on or after July 1, 2006."

2.9 Page 352, lines 5 to 7, delete the new language

2.10 Page 353, line 18, after the comma, insert "whether the individual has taken any  
2.11 action to prevent the designation of the department as a remainder beneficiary on an  
2.12 annuity as described in section 256B.056, subdivision 11,"

2.13 Page 354, line 10, after the period, insert "State and county workers must assist  
2.14 applicants in obtaining satisfactory documentary evidence of citizenship or nationality."

2.15 Page 373, delete section 2

2.16 Page 383, after line 5, insert:

2.17 "Sec. 10. Minnesota Statutes 2004, section 256J.02, subdivision 1, is amended to read:

2.18 Subdivision 1. **Commissioner's authority to administer block grant funds.** The  
2.19 commissioner of human services is authorized to receive, and administer, ~~and expend~~  
2.20 funds available under the TANF block grant authorized under title I of Public Law  
2.21 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.  
2.22 Notwithstanding section 4.07, the commissioner shall not spend TANF funds, except  
2.23 pursuant to a direct appropriation enacted by the legislature."

2.24 Page 439, after line 7, insert:

2.25 "**PAY FOR PERFORMANCE.**

2.26 The commissioner shall provide  
2.27 recommendations to the legislature by  
2.28 January 15, 2007, to make payments for  
2.29 the optimum care of persons with diabetes  
2.30 consistent with the percentage enrollment of  
2.31 persons with diabetes in Minnesota health  
2.32 care programs, beginning on July 1, 2007."

2.33 Page 439, after line 15, insert:

3.1 "ENHANCED RATES FOR MENTAL  
3.2 HEALTH SERVICES. The reimbursement  
3.3 rate increases effective July 1, 2007, under  
3.4 Minnesota Statutes, section 256B.763,  
3.5 for outpatient mental health services that  
3.6 currently have long waiting lists and other  
3.7 access problems shall be equalized for mental  
3.8 health providers in all Minnesota health care  
3.9 programs."

3.10 Renumber the sections in sequence and correct the internal references

3.11 Amend the title accordingly

1.1 **Senator Cohen from the Committee on Finance, to which was re-referred**

1.2 **S.F. No. 3781:** A bill for an act relating to the financing of state government;  
 1.3 making supplemental appropriations for education, environment and agriculture,  
 1.4 economic development, transportation, public safety, state government, and health and  
 1.5 human services; modifying certain statutory provisions and laws; providing for certain  
 1.6 programs; establishing task forces, commissions, and an office in state government;  
 1.7 fixing and limiting fees; authorizing rulemaking; requiring reports; providing for  
 1.8 penalties; appropriating money; amending Minnesota Statutes 2004, sections 13.6905,  
 1.9 by adding a subdivision; 16B.325; 43A.08, subdivision 1a; 47.58, subdivision 8;  
 1.10 62A.045; 62Q.19, subdivision 2; 62S.05, by adding a subdivision; 62S.08, subdivision  
 1.11 3; 62S.081, subdivision 4; 62S.10, subdivision 2; 62S.13, by adding a subdivision;  
 1.12 62S.14, subdivision 2; 62S.15; 62S.20, subdivision 1; 62S.24, subdivisions 1, 3, 4, by  
 1.13 adding subdivisions; 62S.25, subdivision 6, by adding a subdivision; 62S.26; 62S.266,  
 1.14 subdivision 2; 62S.29, subdivision 1; 62S.30; 80C.01, subdivision 4; 84.0835, subdivision  
 1.15 3; 85.053, by adding a subdivision; 85.054, by adding a subdivision; 85.32, subdivision  
 1.16 1; 97A.028, subdivision 3; 97A.045, subdivision 11; 115.03, by adding a subdivision;  
 1.17 115B.48, subdivision 3; 115E.01, subdivisions 5, 6, 7, 13, by adding subdivisions;  
 1.18 115E.04, subdivision 2, by adding subdivisions; 115E.05, subdivisions 1, 2; 115E.08,  
 1.19 subdivision 3; 116J.421, subdivision 3; 116J.543; 116L.04, subdivisions 1, 1a; 116L.12,  
 1.20 subdivision 4; 119A.50, subdivision 1; 119A.52; 119A.53; 119A.545; 119B.011, by  
 1.21 adding a subdivision; 119B.03, subdivision 4; 119B.05, subdivision 1; 119B.13, by adding  
 1.22 a subdivision; 120A.20, subdivision 1; 120A.22, subdivision 3; 120B.021, subdivision  
 1.23 1; 120B.023; 120B.024; 121A.035; 121A.15, subdivision 10; 121A.17, subdivision 3;  
 1.24 122A.09, subdivision 4; 122A.18, subdivision 2; 122A.31, subdivision 1, by adding a  
 1.25 subdivision; 123A.06, subdivision 2; 123A.44; 123A.441; 123A.442; 123A.443; 123B.10,  
 1.26 subdivision 1; 123B.57, subdivision 6; 123B.77, subdivision 3, by adding a subdivision;  
 1.27 123B.90, subdivision 2; 123B.91, by adding a subdivision; 124D.02, subdivisions 2, 4;  
 1.28 124D.095, subdivision 3; 124D.096; 124D.10, subdivision 16; 124D.11, subdivision 9;  
 1.29 124D.13, subdivisions 2, 3; 124D.518, subdivision 4; 124D.52, subdivision 1; 124D.61;  
 1.30 124D.68, subdivision 3; 125A.02, subdivision 1; 125A.27, subdivisions 3, 7, 8, 11, 15,  
 1.31 18; 125A.29; 125A.30; 125A.32; 125A.33; 125A.48; 125A.515, subdivisions 1, 3, 5,  
 1.32 6, 7, 9, 10; 125A.62, subdivision 1; 125A.63, subdivision 4; 125A.65, subdivisions 3,  
 1.33 4, 6, 8, 10; 125A.69, subdivision 3; 125A.75, subdivision 1, by adding a subdivision;  
 1.34 126C.05, subdivision 1; 126C.10, subdivision 6, by adding subdivisions; 126C.44;  
 1.35 127A.41, subdivision 2; 135A.031, subdivision 7, by adding subdivisions; 135A.053,  
 1.36 subdivision 2; 136A.101, subdivisions 4, 8; 136A.15, subdivisions 6, 9, by adding a  
 1.37 subdivision; 136A.16, by adding a subdivision; 136A.162; 136A.1701, subdivisions 4,  
 1.38 7, by adding a subdivision; 136A.233, subdivision 3; 136F.02, subdivision 1; 136F.42,  
 1.39 subdivision 1; 136F.71, subdivision 2, by adding a subdivision; 137.17, subdivisions 1, 3;  
 1.40 144.552; 144.6501, subdivision 6; 144.9501, subdivisions 1, 2, by adding a subdivision;  
 1.41 144.9503, subdivision 3; 144.9507, by adding a subdivision; 144A.071, subdivision  
 1.42 4c; 144A.4605; 144D.01, by adding a subdivision; 144D.015; 144D.02; 144D.03,  
 1.43 subdivision 2; 144D.04; 144D.05; 144D.065; 145.925, by adding a subdivision; 169.01,  
 1.44 subdivision 6; 169.447, subdivision 2; 169.4501, subdivisions 1, 2; 169.4502, subdivision  
 1.45 5; 169.4503, subdivision 20; 171.321, subdivisions 4, 5; 178.03, by adding a subdivision;  
 1.46 181.101; 183.02, by adding a subdivision; 216C.41, subdivision 4; 245.465, by adding a  
 1.47 subdivision; 245.50, subdivisions 1, 2, 5; 245.771, by adding a subdivision; 245.94,  
 1.48 subdivision 1; 245.97, subdivision 6; 245A.023; 245A.14, by adding a subdivision;  
 1.49 246.54, subdivision 1, by adding a subdivision; 253B.02, subdivision 2; 256.01, by  
 1.50 adding subdivisions; 256.014, by adding subdivisions; 256.975, subdivision 7; 256B.02,  
 1.51 subdivision 9; 256B.056, subdivision 2, by adding subdivisions; 256B.0595, subdivisions  
 1.52 1, 3, 4; 256B.0625, subdivisions 20, 28, by adding subdivisions; 256B.0911, subdivision  
 1.53 3a; 256B.0913, by adding a subdivision; 256B.0945, subdivisions 1, 4; 256B.15, by  
 1.54 adding a subdivision; 256B.437, subdivision 3; 256B.69, subdivisions 5g, 5h, 9, by adding  
 1.55 a subdivision; 256B.76; 256J.01, by adding a subdivision; 256J.021; 256J.08, subdivision  
 1.56 65; 256J.37, subdivision 3a; 256J.521, subdivisions 1, 2; 256J.53, subdivision 2, by adding  
 1.57 a subdivision; 256J.626, subdivisions 1, 2, 3, 4, 5; 256L.03, subdivision 3; 256L.04,  
 1.58 subdivisions 7, 10, by adding a subdivision; 256L.07, subdivision 2; 256L.11, subdivision  
 1.59 1, by adding subdivisions; 256L.12, subdivision 9a; 256L.15, subdivision 1; 259.87;  
 1.60 298.22, subdivisions 1, 8, by adding a subdivision; 298.2213, subdivision 4; 298.223,  
 1.61 subdivisions 2, 3; 299F.30; 326.105; 446A.03, subdivision 5; 446A.12, subdivision 1;  
 1.62 462A.05, by adding a subdivision; 473.252, subdivision 3; 488A.03, subdivisions 6,  
 1.63 11; 518.551, subdivision 7; 518.5852; 626.556, subdivisions 3b, 3c; Minnesota Statutes  
 1.64 2005 Supplement, sections 35.05; 85.053, subdivision 2; 85.055, subdivision 1; 115C.09,  
 1.65 subdivision 3j; 116J.551, subdivision 1; 119B.13, subdivision 1; 120B.021, subdivision  
 1.66 1a; 120B.11, subdivision 2; 120B.131, subdivision 2; 121A.19; 122A.414, subdivisions

1.67 2b, 3; 122A.415, subdivisions 1, 3; 123B.04, subdivision 2; 123B.76, subdivision 3;  
 1.68 123B.92, subdivisions 1, 5; 124D.095, subdivision 4; 124D.111, subdivision 1; 124D.135,  
 1.69 subdivision 1; 124D.175; 124D.531, subdivision 1; 124D.68, subdivision 2; 125A.11,  
 1.70 subdivision 1; 125A.28; 125A.79, subdivision 1; 126C.10, subdivisions 24, 31, 34;  
 1.71 126C.43, subdivision 2; 127A.45, subdivision 10; 135A.52, subdivisions 1, 2; 136A.121,  
 2.1 subdivision 7a; 136A.1701, subdivision 12; 144.551, subdivision 1; 201.061, subdivision  
 2.2 3; 216C.052, subdivisions 3, 4; 216C.41, subdivision 3; 245.4874; 245C.24, subdivision  
 2.3 2; 256B.0571; 256B.0595, subdivision 2; 256B.06, subdivision 4; 256B.0625, subdivision  
 2.4 1a; 256B.075, subdivision 2; 256B.0911, subdivision 1a; 256B.0918, subdivisions 1, 3, 4;  
 2.5 256B.0946, subdivision 1; 256B.434, subdivision 4; 256B.69, subdivision 23; 256D.03,  
 2.6 subdivisions 3, 4; 256J.626, subdivision 6; 256L.01, subdivision 4; 256L.03, subdivisions  
 2.7 1, 5; 256L.035; 256L.04, subdivision 1a; 256L.07, subdivisions 1, 3; 256L.15, subdivision  
 2.8 2; 298.296, subdivision 1; 298.298; 299A.78; 327.201; 626.556, subdivisions 2, 3; Laws  
 2.9 1998, chapter 404, section 15, subdivision 2, as amended; Laws 2005, chapter 136,  
 2.10 article 1, sections 10; 13, subdivision 3; Laws 2005, chapter 156, article 1, section 11,  
 2.11 subdivision 5; Laws 2005, First Special Session chapter 1, article 2, sections 3, subdivision  
 2.12 2; 11, subdivision 10; article 3, section 2, subdivision 4; Laws 2005, First Special Session  
 2.13 chapter 4, article 7, section 59; article 9, sections 3, subdivision 2; 5, subdivision 8; Laws  
 2.14 2005, First Special Session chapter 5, article 1, sections 47; 54, subdivisions 2, 3, 5, 6, 7, 8;  
 2.15 article 2, section 84, subdivisions 2, 3, 4, 6, 7, 10, 13; article 3, section 18, subdivisions 2,  
 2.16 3, 4, 5, 6, 7; article 4, section 25, subdivisions 2, 3, 4, 6; article 5, section 17, subdivisions  
 2.17 2, 3; article 6, section 1, subdivisions 2, 3, 5; article 7, section 20, subdivisions 2, 3, 4,  
 2.18 5; article 8, section 8, subdivisions 2, 3, 5; article 9, section 4, subdivision 2; article 10,  
 2.19 section 5, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 3;  
 2.20 4; 16E; 43A; 62S; 80C; 85; 115E; 116J; 119A; 121A; 122A; 124D; 135A; 136A; 144;  
 2.21 144A; 144D; 152; 245; 254A; 256; 256B; 256D; 256J; 256K; 256L; 259; 299A; 299F;  
 2.22 325E; 341; proposing coding for new law as Minnesota Statutes, chapter 144G; repealing  
 2.23 Minnesota Statutes 2004, sections 17.10; 62J.694, subdivision 5; 119A.46, subdivisions 4,  
 2.24 5, 6, 7, 9, 10; 119A.51; 120A.20, subdivision 3; 121A.23; 123B.749; 125A.10; 125A.515,  
 2.25 subdivision 2; 135A.031, subdivision 5; 135A.033; 136A.15, subdivision 5; 136A.1702;  
 2.26 137.17, subdivisions 2, 4; 169.4502, subdivision 15; 169.4503, subdivisions 17, 18,  
 2.27 26; 245.465, subdivision 2; 256B.0945, subdivisions 5, 6, 7, 8, 9; 256B.83; 256J.626,  
 2.28 subdivision 9; 488A.03, subdivision 11b; Minnesota Statutes 2005 Supplement, sections  
 2.29 119A.46, subdivisions 1, 2, 3, 8; 119B.13, subdivision 7; 135A.031, subdivisions 3, 4;  
 2.30 256B.0571, subdivisions 2, 5, 11; 256J.626, subdivision 7; 256L.035; Laws 2003, First  
 2.31 Special Session chapter 14, article 9, section 36; Minnesota Rules, parts 4668.0215;  
 2.32 4850.0011, subparts 10, 14, 27, 9; 4850.0014, subpart 1.

2.33 Reports the same back with the recommendation that the bill be amended as follows:  
 2.34 Pages 5 to 7, delete sections 2 to 6  
 2.35 Page 9, delete section 9  
 2.36 Pages 11 to 13, delete sections 12 and 13  
 2.37 Page 14, lines 31 to 35, reinstate the stricken language and delete the new language  
 2.38 Page 15, lines 2 to 24, reinstate the stricken language and delete the new language  
 2.39 Page 16, delete lines 34 and 35  
 2.40 Pages 27, delete sections 32 and 33  
 2.41 Page 29, delete section 36  
 2.42 Page 30, delete section 39  
 2.43 Page 33, delete section 43  
 2.44 Page 34, line 23, delete "40" and insert "28"  
 2.45 Page 35, line 10, delete "38" and insert "27"  
 2.46 Page 35, line 24, delete "42" and insert "30"  
 2.47 Page 35, line 27, delete "Minnesota Statutes 2004, section 119A.51, and"  
 2.48 Pages 36 to 43, delete sections 1 to 11



- 2.49 Pages 45 to 47, delete sections 15 to 18
- 2.50 Page 48, delete section 21
- 2.51 Page 50, line 5, delete "23" and insert "6"
- 2.52 Page 50, delete section 24
- 3.1 Pages 50 to 60, delete sections 1 to 9
- 3.2 Pages 62 to 67, delete sections 11 to 15
- 3.3 Pages 67 to 88, delete sections 17 to 43
- 3.4 Page 90, delete section 46
- 3.5 Page 90, line 24, delete "47" and insert "5"
- 3.6 Page 90, line 27, delete "45" and insert "4"
- 3.7 Page 91, line 9, delete "44" and insert "3"
- 3.8 Page 91, delete section 49
- 3.9 Pages 91 to 98, delete sections 1 to 12
- 3.10 Page 99, delete section 14
- 3.11 Page 100, line 31, delete "15" and insert "2"
- 3.12 Page 101, delete sections 17 and 18
- 3.13 Pages 101 to 106, delete sections 1 to 5
- 3.14 Pages 107 to 109, delete sections 7 to 9
- 3.15 Page 110, delete sections 12 and 13
- 3.16 Pages 114 to 116, delete sections 1 to 6
- 3.17 Page 128, delete article 10
- 3.18 Pages 138 to 141, delete sections 4 to 10
- 3.19 Page 141, line 26, after "must" insert ", within four years of being licensed or  
 3.20 registered as a postsecondary institution by the Office of Higher Education or another  
 3.21 state agency,"
- 3.22 Page 141, line 30, delete "2009" and insert "2010"
- 3.23 Page 143, line 11, after "must" insert ", within four years of being licensed or  
 3.24 registered as a postsecondary institution by the Office of Higher Education or another  
 3.25 state agency,"
- 3.26 Page 143, line 15, delete "2009" and insert "2010"
- 3.27 Pages 143 to 146, delete sections 16 to 18
- 3.28 Pages 147 to 150, delete sections 21 to 29
- 3.29 Pages 151 to 153, delete sections 32 to 37
- 3.30 Page 153, delete section 38 and insert:  
 3.31 "Sec. 13. **REPEALER.**  
 3.32 Minnesota Statutes 2004, section 137.17, subdivisions 3 and 4, are repealed."

- 3.33 Page 164, delete sections 14 and 15
- 3.34 Pages 167 to 169, delete sections 17 to 19
- 3.35 Page 173, delete section 7
- 3.36 Pages 181 to 185, delete sections 9 to 14
- 4.1 Pages 187 to 195, delete sections 18 to 37
- 4.2 Page 195, delete section 39
- 4.3 Pages 202 to 204, delete sections 56 to 59
- 4.4 Page 217, delete section 9
- 4.5 Page 234, delete section 32
- 4.6 Page 234, delete lines 26 to 28 and insert:

"SUMMARY BY FUND

	<u>2006</u>	<u>2007</u>	<u>TOTAL</u>
4.9 <u>General</u>	\$ 4,250,000	\$ 5,057,000	\$ 9,307,000
4.10 <u>Workers' Compensation</u>	\$ -0-	\$ 320,000	\$ 320,000
4.11 <u>TOTAL</u>	\$ 4,250,000	\$ 5,377,000	\$ 9,627,000"

4.12 Page 236, after line 19, insert:

4.13 <u>"Sec. 6. OFFICE OF ADMINISTRATIVE</u>		
4.14 <u>HEARINGS</u>	-0-	<u>320,000</u>

4.15 From the workers' compensation fund

4.16 for costs associated with the relocation

4.17 of offices to St. Paul. The commissioner

4.18 of administration shall take all steps as

4.19 necessary to complete the renovation of

4.20 the Stassen Building for these purposes by

4.21 June 30, 2007. Minnesota Statutes, section

4.22 16B.33, subdivision 3, does not apply if

4.23 the estimated cost of construction exceeds

4.24 \$2,000,000. This is a onetime appropriation.

4.25 Beginning in fiscal year 2009 and for all

4.26 fiscal years thereafter, the appropriation base

4.27 for the workers' compensation fund for the

4.28 Office of Administrative Hearings is reduced

4.29 by \$297,000 to reflect savings in rent costs

) due to the relocation of offices to St. Paul."

- 4.31 Page 239, line 31, delete "16" and insert "13"
- 4.32 Page 241, delete section 10
- 4.33 Pages 243 to 247, delete sections 13 to 15

- 4.34 Pages 253 to 260, delete sections 2 to 4
- 4.35 Pages 262 to 271, delete sections 6 to 16
- 4.36 Page 272, delete sections 18 to 20
- 5.1 Page 274, line 14, delete "in the same county" and insert "located on the grounds
- 5.2 of the Ah-Gwah-Ching campus"
- 5.3 Page 274, line 18, after the period, insert "For subsequent years, the property
- 5.4 payment rate of \$25 shall be adjusted for inflation as provided in section 256B.434,
- 5.5 subdivision 4, paragraph (c), a long as the facility has a contract under section 256B.434."
- 5.6 Page 296, delete section 25
- 5.7 Page 320, line 13, after the period, insert "State and county workers must assist
- 5.8 applicants in obtaining satisfactory documentary evidence of citizenship or nationality."
- 5.9 Page 326, line 15, delete "2007" and insert "2006"
- 5.10 Page 331, delete section 61
- 5.11 Page 336, line 25, delete "federal law" and insert "section 6015 of the Deficit
- 5.12 Reduction Act of 2005, Public Law 109-171"
- 5.13 Page 338, line 1, after "(b)" insert "Effective for applications filed on or after July
- 5.14 1, 2006, and for renewals after July 1, 2006, for persons who first applied for payment
- 5.15 of long-term care services on or after January 2, 2006,"
- 5.16 Page 345, line 10, delete the new language
- 5.17 Page 345, delete lines 11 and 12 and insert:
- 5.18 "(a) The commissioner, in cooperation with the commissioner of commerce, shall
- 5.19 pursue any federal law changes or waiver necessary to implement the long-term care
- 5.20 partnership program requirements of Public Law 109-171, section 6021.
- 5.21 (b) The commissioner shall submit a state plan amendment to the federal government
- 5.22 to implement the long-term care partnership program in accordance with this section."
- 5.23 Page 347, line 35, before "long-term" insert "or is receiving" and after "services"
- 5.24 insert "or the individual's spouse"
- 5.25 Page 347, line 36, delete the colon
- 5.26 Page 348, line 1, delete "(1)"
- 5.27 Page 348, line 16, delete "; or" and insert a period
- 5.28 Page 348, delete line 17 and insert:
- 5.29 "(g) Effective for transactions, including the purchase of an annuity, occurring on
- 5.30 or after February 8, 2006, the purchase of an annuity by or on behalf of an individual
- 5.31 applying for or receiving long-term care services shall be treated as a disposal of assets for
- 5.32 less than fair market value unless the annuity is:"
- 5.33 Page 348, line 30, delete "(g)" and insert "(h)"

5.34 Page 349, line 3, delete "(h)" and insert "(i)"

5.35 Page 349, line 4, delete "such" and insert "the"

6.1 Page 349, line 10, delete "paragraph (a)" and insert "clauses (1) to (3) of this  
6.2 paragraph" and delete "such" and insert "the"

6.3 Page 349, line 12, delete "(i)" and insert "(j)"

6.4 Page 351, after line 7, insert:

6.5 "EFFECTIVE DATE. Amendments to this section are effective for applications on  
6.6 or after July 1, 2006, and for renewals and reports of transfers on or after July 1, 2006."

6.7 Page 352, lines 5 to 7, delete the new language

6.8 Page 353, line 18, after the comma, insert "whether the individual has taken any  
6.9 action to prevent the designation of the department as a remainder beneficiary on an  
6.10 annuity as described in section 256B.056, subdivision 11."

6.11 Page 354, line 10, after the period, insert "State and county workers must assist  
6.12 applicants in obtaining satisfactory documentary evidence of citizenship or nationality."

6.13 Page 372, delete article 23

6.14 Page 378, delete section 2

6.15 Page 382, delete section 6

6.16 Page 383, after line 5, insert:

6.17 "Sec. 8. Minnesota Statutes 2004, section 256J.02, subdivision 1, is amended to read:

6.18 Subdivision 1. **Commissioner's authority to administer block grant funds.** The  
6.19 commissioner of human services is authorized to receive, and administer, ~~and expend~~  
6.20 funds available under the TANF block grant authorized under title I of Public Law  
6.21 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.  
6.22 Notwithstanding section 4.07, the commissioner shall not spend TANF funds, except  
6.23 pursuant to a direct appropriation enacted by the legislature."

6.24 Page 399, delete section 25

6.25 Pages 403 and 404, delete sections 29 to 31

6.26 Pages 411 to 415, delete sections 6 to 10

6.27 Page 439, after line 7, insert:

6.28 "PAY FOR PERFORMANCE.

6.29 The commissioner shall provide

6.30 recommendations to the legislature by

January 15, 2007, to make payments for

6.32 the optimum care of persons with diabetes

6.33 consistent with the percentage enrollment of

6.34 persons with diabetes in Minnesota health  
35 care programs, beginning on July 1, 2007."

6.36 Page 439, after line 15, insert:

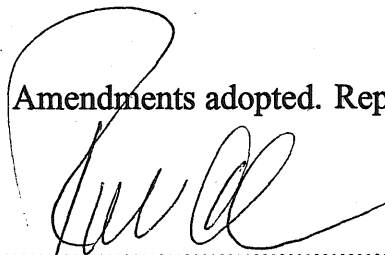
7.1 **"ENHANCED RATES FOR MENTAL**  
7.2 **HEALTH SERVICES. The reimbursement**  
7.3 **rate increases effective July 1, 2007, under**  
7.4 **Minnesota Statutes, section 256B.763,**  
7.5 **for outpatient mental health services that**  
7.6 **currently have long waiting lists and other**  
7.7 **access problems shall be equalized for mental**  
7.8 **health providers in all Minnesota health care**  
7.9 **programs."**

10 Pages 452 and 453, delete sections 9 to 11

7.11 Renumber the articles and sections in sequence

7.12 Amend the title accordingly

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



.....  
(Committee Chair)

7.16 May 2, 2006 ..... *F.2-06*  
7.17 (Date of Committee recommendation)