

SENATE  
STATE OF MINNESOTA  
NINETY-FOURTH SESSION

S.F. No. 2981

(SENATE AUTHORS: CWODZINSKI)

DATE	D-PG	OFFICIAL STATUS
03/27/2025	1090	Introduction and first reading Referred to Judiciary and Public Safety

1.1

A bill for an act

1.2

relating to government data practices; modifying provisions for the Office of the

1.3

Inspector General within the Department of Education; providing for access to

1.4

records by the Office of the Inspector General; classifying data; providing for

1.5

immunity and confidentiality in reporting or participating in an investigation;

1.6

establishing a process for notice, appeal, and withholding of payments; clarifying

1.7

definitions of fraud, theft, waste, and abuse; amending Minnesota Statutes 2024,

1.8

sections 13.32, subdivision 5; 13.82, subdivision 1; 120B.021, subdivision 3;

1.9

120B.117, subdivision 4; 127A.21, subdivisions 1, 1a, 4, 5, 6, 7, by adding

1.10

subdivisions; 127A.49, subdivision 3; 268.19, subdivision 1; proposing coding

1.11

for new law in Minnesota Statutes, chapter 13.

1.12

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.13

Section 1. Minnesota Statutes 2024, section 13.32, subdivision 5, is amended to read:

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Subd. 5. **Directory information.** (a) Educational data designated as directory information

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is public data on individuals to the extent required under federal law. Directory information

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must be designated pursuant to the provisions of:

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(1) this subdivision; and

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(2) United States Code, title 20, section 1232g, and Code of Federal Regulations, title

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34, section 99.37, which were in effect on January 3, 2012.

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(b) When conducting the directory information designation and notice process required

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by federal law, an educational agency or institution shall give parents and students notice

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of the right to refuse to let the agency or institution designate specified data about the student

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as directory information. This notice may be given by any means reasonably likely to inform

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the parents and students of the right.

(c) An educational agency or institution may not designate a student's home address, telephone number, email address, or other personal contact information as directory information under this subdivision. This paragraph does not apply to a postsecondary institution.

(d) When requested, educational agencies or institutions must share personal student contact information and directory information, whether public or private, with the Minnesota Department of Education, as required for federal reporting purposes.

(e) When requested, and in accordance with requirements for parental consent in the Code of Federal Regulations, title 34, section 300.622 (b)(2) and part 99, educational agencies or institutions may share personal student contact information and directory information for students served in special education with postsecondary transition planning and services under section 125A.08, paragraph (b), clause (1), whether public or private, with the Department of Employment and Economic Development, as required for coordination of services to students with disabilities under sections 125A.08, paragraph (b), clause (1); 125A.023; and 125A.027.

**Sec. 2. [13.3211] DEPARTMENT OF EDUCATION OFFICE OF THE INSPECTOR GENERAL; INVESTIGATIVE DATA.**

(a) Data on persons that are collected, maintained, used, or disseminated by the Department of Education in an investigation conducted under section 127A.21 are confidential data on individuals pursuant to section 13.02, subdivision 3, or protected nonpublic data on an individual pursuant to section 13.02, subdivision 13, and shall not be disclosed except:

(1) pursuant to section 13.05;

(2) pursuant to statute or valid court order;

(3) to a party named in a civil or criminal proceeding for preparation of a defense;

(4) to an investigator acting on behalf of a county, state, or federal government, including a law enforcement officer or attorney in the investigation or prosecution of a criminal, civil, or administrative proceeding, unless the inspector general determines that disclosure may compromise an investigation; or

(5) to provide notices required or permitted by statute.

(b) The data referred to in this section shall be classified as public data upon submission to a court in a civil or criminal proceeding, or when the investigation is no longer being

pursued actively, except that the data shall be disclosed as required to comply with section 6.67 or 609.456, unless chapter 13 provides otherwise.

(c) Notwithstanding paragraph (a), the existence of an investigation conducted by the Office of the Inspector General or withholding of payment by the commissioner may be disclosed if the commissioner, after consulting with the inspector general, determines that it will not compromise the investigation.

Sec. 3. Minnesota Statutes 2024, section 13.82, subdivision 1, is amended to read:

Subdivision 1. **Application.** This section shall apply to agencies which carry on a law enforcement function, including but not limited to municipal police departments, county sheriff departments, fire departments, the Bureau of Criminal Apprehension, the Minnesota State Patrol, the Board of Peace Officer Standards and Training, the Department of Commerce, the Office of the Inspector General within the Department of Education, and county human service agency client and provider fraud investigation, prevention, and control units operated or supervised by the Department of Human Services.

Sec. 4. Minnesota Statutes 2024, section 120B.021, subdivision 3, is amended to read:

Subd. 3. **Rulemaking.** (a) The commissioner, consistent with the requirements of this section and section 120B.022, must adopt statewide rules under, and may use the process outlined in, section 14.389, for implementing statewide rigorous core academic standards in language arts, mathematics, science, social studies, physical education, and the arts.

(b) The commissioner must adopt statewide rules for implementing statewide rigorous core academic standards in health.

Sec. 5. Minnesota Statutes 2024, section 120B.117, subdivision 4, is amended to read:

Subd. 4. **Reporting.** ~~The Professional Educator Licensing and Standards Board~~ Department of Education must collaborate with the ~~Department of Education Professional Educator Licensing and Standards Board~~ and the Office of Higher Education to publish a summary report of each of the programs they administer and any other programs receiving state appropriations that have or include an explicit purpose of increasing the racial and ethnic diversity of the state's teacher workforce to more closely reflect the diversity of students. The report must include programs under sections 122A.59, 122A.63, 122A.635, 122A.70, 122A.73, 124D.09, 124D.861, 136A.1274, 136A.1276, and 136A.1791, along with any other programs or initiatives that receive state appropriations to address the shortage of teachers of color and American Indian teachers. ~~The board~~ commissioner must, in

coordination with the Professional Educator Licensing and Standards Board and the Office of Higher Education and Department of Education, provide policy and funding recommendations related to state-funded programs to increase the recruitment, preparation, licensing, hiring, and retention of racially and ethnically diverse teachers and the state's progress toward meeting or exceeding the goals of this section. The report must include recommendations for state policy and funding needed to achieve the goals of this section, plans for sharing the report and activities of grant recipients, and opportunities among grant recipients of various programs to share effective practices with each other. The initial report must also include a recommendation of whether a state advisory council should be established to address the shortage of racially and ethnically diverse teachers and what the composition and charge of such an advisory council would be if established. The board must consult with the Indian Affairs Council and other ethnic councils along with other community partners, including students of color and American Indian students, in developing the report. The ~~board~~ commissioner must submit the report to the chairs and ranking minority members of the legislative committees with jurisdiction over education and higher education policy and finance by November 3, 2025, for the initial report, and by November 3 each even-numbered year thereafter. The report must be available to the public on the ~~board's~~ commissioner's website.

Sec. 6. Minnesota Statutes 2024, section 127A.21, subdivision 1, is amended to read:

Subdivision 1. **Establishment of Office of the Inspector General; powers; duties.** The commissioner must establish within the department an Office of the Inspector General. The inspector general shall report directly to the commissioner. The Office of the Inspector General is charged with protecting the integrity of the department and the state by detecting and preventing fraud, theft, waste, and abuse in department programs. The Office of the Inspector General must conduct independent and objective investigations to promote the integrity of the department's programs and operations. When fraud, theft, or other misuse of public funds is detected, the Office of the Inspector General must report it to the appropriate law enforcement entity and collaborate and cooperate with law enforcement to assist in the investigation and any subsequent civil and criminal prosecution.

Sec. 7. Minnesota Statutes 2024, section 127A.21, subdivision 1a, is amended to read:

Subd. 1a. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Abuse" means actions that may, directly or indirectly, result in unnecessary costs to department programs. Abuse may involve paying for items or services when there is no legal entitlement to that payment, or behavior that is deficient or improper when compared with behavior that a prudent person would consider a reasonable and necessary business practice given the facts and circumstances. Abuse includes but is not limited to:

(1) obtaining or attempting to obtain department program funds when required information is missing or incorrect;

(2) failing to correct errors in the filing or maintenance of records in a timely manner after a request by the department;

(3) obtaining or attempting to obtain department program funds that overstate the level or amount that is allowed to be reimbursed under law, program rules, or contract;

(4) obtaining or attempting to obtain grant funds from the department program by means that are not allowed or do not comply with grant requirements;

(5) failing to disclose or make available requested records to the department pursuant to law, program rules, or contract;

(6) refusing to provide access to records as required by subdivision 4;

(7) failing to keep or maintain records as required by law, rule, or contract; and

(8) a program participant seeking department program funds after being excluded.

(c) "Department program" means a program funded by the Department of Education that involves the transfer or disbursement of public funds or other resources to a program participant. "Department program" includes state and federal aids or grants received by a school district or charter school or other program participant.

(d) "Excluded" means removed by any means from a program administered by a Minnesota state agency or federal agency.

~~(d)~~ (e) "Fraud" means an intentional or deliberate act to deprive another of property or money or to acquire property or money by deception or other unfair means. Fraud includes intentionally submitting false information to the department for the purpose of either obtaining a greater compensation or benefit than that to which the person program participant is legally entitled or hiding the misuse of funds. Fraud also includes failure to correct errors in the maintenance of records in a timely manner after a request by the department. Fraud also includes acts that constitute a crime against any program, or attempts or conspiracies to commit those crimes, including but not limited to the following:

6.1 (1) theft in violation of section 609.52;

6.2 (2) perjury in violation of section 609.48; and

6.3 (3) aggravated forgery and forgery in violation of sections 609.625 and 609.63.

6.4 ~~(e)~~ (f) "Investigation" means an audit, investigation, proceeding, or inquiry by the Office  
6.5 of the Inspector General related to a program participant in a department program.

6.6 ~~(f)~~ (g) "Program participant" means any entity or person, including associated entities  
6.7 or persons, that receives, disburses, or has custody of funds or other resources transferred  
6.8 or disbursed under a department program. Associated persons or entities include but are not  
6.9 limited to vendors or other entities or persons that contract with recipients of department  
6.10 program funds.

6.11 (h) "Theft" means the act defined in section 609.52, subdivision 2.

6.12 ~~(g)~~ (i) "Waste" means practices that, directly or indirectly, result in unnecessary costs  
6.13 to department programs, such as misusing resources. Waste includes an attempt or act using  
6.14 or expending resources carelessly, extravagantly, or to no purpose.

6.15 ~~(h)~~ (j) For purposes of this section, neither "fraud," "theft," "waste," nor "abuse" includes  
6.16 decisions on instruction, curriculum, personnel, or other discretionary policy decisions made  
6.17 by a school district, charter school, cooperative unit as defined by section 123A.24,  
6.18 subdivision 2, or any library, library system, or library district defined in section 134.001.

6.19 Sec. 8. Minnesota Statutes 2024, section 127A.21, subdivision 4, is amended to read:

6.20 Subd. 4. **Access to records.** (a) For purposes of an investigation, and regardless of the  
6.21 data's classification under chapter 13, the Office of the Inspector General shall have access  
6.22 to all relevant books, accounts, documents, data, and property related to department programs  
6.23 that are maintained by a program participant, charter school, or government entity as defined  
6.24 by section 13.02.

6.25 (b) Notwithstanding paragraph (a), the Office of the Inspector General must issue a  
6.26 subpoena under subdivision 3 in order to access routing and account numbers to which  
6.27 Department of Education funds have been disbursed.

6.28 (c) Records requested by the Office of the Inspector General under this subdivision shall  
6.29 be provided in a format, place, and time frame reasonably requested by the Office of the  
6.30 Inspector General.

6.31 (d) The department may enter into specific agreements with other state agencies related  
6.32 to records requests by the Office of the Inspector General.

(e) In an investigation, program participants must give the Office of the Inspector General immediate access without prior notice to any locations of potential record storage and the records themselves, whether physical or electronic, during regular business hours, and to any records related to a department program. Denying the Office of the Inspector General access to requested records is cause for immediate suspension of payment.

(f) The Office of the Inspector General, at its own expense, may photocopy or otherwise duplicate any record related to a department program. Photocopying or electronic duplication shall be done on the program participant's premises when immediate access is requested, unless removal is specifically permitted by the program participant. If requested, a program participant must help the Office of the Inspector General duplicate any department program record or other records related to a department program's operation, including hard copies or electronically stored data, on the day when access is requested.

Sec. 9. Minnesota Statutes 2024, section 127A.21, subdivision 5, is amended to read:

**Subd. 5. Sanctions; appeal.** (a) This subdivision does not authorize any sanction that reduces, pauses, or otherwise interrupts state or federal aid to a school district, charter school, cooperative unit as defined by section 123A.24, subdivision 2, or any library, library system, or library district defined in section 134.001.

(b) The inspector general may recommend that the commissioner impose appropriate ~~temporary sanctions, including withholding of payments under the department program,~~ on a program participant ~~pending an investigation by the Office of the Inspector General~~ if:

~~(1) during the course of an investigation, the Office of the Inspector General finds credible indicia of fraud, waste, or abuse by the program participant;~~

~~(2) (1) there has been a criminal, civil, or administrative adjudication of fraud, theft, waste, or abuse against the program participant in Minnesota or in another state or jurisdiction; or~~

~~(3) the program participant was receiving funds under any contract or registered in any program administered by another Minnesota state agency, a government agency in another state, or a federal agency, and was excluded from that contract or program for reasons credibly indicating fraud, waste, or abuse by the program participant; or~~

~~(4) (2) the program participant has a pattern of noncompliance with an investigation.~~

(c) If an investigation finds, by a preponderance of the evidence, fraud, theft, waste, or abuse by a program participant, the inspector general may, after reviewing all facts and

evidence and when acting judiciously on a case-by-case basis, recommend that the commissioner impose appropriate sanctions on the program participant.

(d) Unless prohibited by law, the commissioner has the authority to implement recommendations by the inspector general, including imposing appropriate sanctions; ~~temporarily or otherwise,~~ on a program participant. Sanctions may include ending program participation, stopping disbursement of funds or resources, monetary recovery, and termination of department contracts with the participant for any current or future department program or contract. A sanction may be imposed for up to the longest period permitted by state or federal law. Sanctions authorized under this subdivision are in addition to other remedies and penalties available under law.

(e) If the commissioner imposes sanctions on a program participant under this subdivision, the commissioner must notify the participant in writing within seven business days of imposing the sanction, unless requested in writing by a law enforcement agency to temporarily delay issuing the notice to prevent disruption of an ongoing law enforcement agency investigation. A notice of sanction must state:

(1) the sanction being imposed;

(2) the general allegations that form the basis for the sanction;

(3) the duration of the sanction;

(4) the department programs to which the sanction applies; and

(5) how the program participant may appeal the sanction pursuant to paragraph (e).

(f) A program participant sanctioned under this subdivision may, within 30 days after the date the notice of sanction was mailed to the participant, appeal the determination by requesting in writing that the commissioner initiate a contested case proceeding under chapter 14. The scope of any contested case hearing is limited to the sanction imposed under this subdivision. An appeal request must specify with particularity each disputed item, the reason for the dispute, and must include the name and contact information of the person or entity that may be contacted regarding the appeal.

(g) The commissioner shall lift sanctions imposed under this subdivision if the Office of the Inspector General determines there is insufficient evidence of fraud, theft, waste, or abuse by the program participant. The commissioner must notify the participant in writing within seven business days of lifting the sanction.

Sec. 10. Minnesota Statutes 2024, section 127A.21, subdivision 6, is amended to read:

Subd. 6. **Data practices.** (a) It is not a violation of rights conferred by chapter 13 or any other statute related to the confidentiality of government data for a government entity as defined in section 13.02 to provide data or information under this section.

(b) The inspector general is subject to the Government Data Practices Act, chapter 13, and shall protect from unlawful disclosure data classified as not public. Data collected, created, received, or maintained by the inspector general relating to an audit, investigation, proceeding, or inquiry are subject to ~~section 13.39~~ sections 13.3211 and 13.82.

Sec. 11. Minnesota Statutes 2024, section 127A.21, subdivision 7, is amended to read:

Subd. 7. ~~**Retaliation, Interference prohibited.** (a) An employee or other individual who discloses information to the Office of the Inspector General about fraud, waste, or abuse in department programs is protected under section 181.932, governing disclosure of information by employees.~~

~~(b)~~ No state employee may interfere with or obstruct an investigation authorized by this section.

Sec. 12. Minnesota Statutes 2024, section 127A.21, is amended by adding a subdivision to read:

Subd. 8. **Immunity and confidentiality.** (a) A person who makes a good faith report is immune from any civil liability that might otherwise arise from reporting or participating in the investigation. Nothing in this subdivision affects an individual's or entity's responsibility for any monetary recovery under existing law or contractual obligation when receiving public funds.

(b) For purposes of this subdivision, "person" means a natural person.

(c) After an investigation is complete, the reporter's name and any identifying information must be kept confidential. The subject of the report may compel disclosure of the reporter's name only with the consent of the reporter or upon a written finding by a district court that the report was false and there is evidence that the report was made in bad faith. This subdivision does not alter disclosure responsibilities or obligations under the Rules of Criminal Procedure, except that when the identity of the reporter is relevant to a criminal prosecution the district court shall conduct an in-camera review before determining whether to order disclosure of the reporter's identity.

10.1 Sec. 13. Minnesota Statutes 2024, section 127A.21, is amended by adding a subdivision  
10.2 to read:

10.3 Subd. 9. **Limits on receiving public funds; prohibition.** (a) This subdivision does not  
10.4 authorize any action that reduces, pauses, or otherwise interrupts state or federal aid to a  
10.5 school district, charter school, cooperative unit as defined in section 123A.24, subdivision  
10.6 2, or any library, library system, or library district defined in section 134.001.

10.7 (b) For purposes of this subdivision, "program participant" includes individuals or persons  
10.8 who have an ownership interest in, control of, or the ability to control a program participant  
10.9 in a department program.

10.10 (c) If a program participant is excluded from a department program, the inspector general  
10.11 shall notify the commissioner, who shall:

10.12 (1) prohibit the excluded program participant from enrolling in, receiving grant money  
10.13 from, or registering in any other program administered by the commissioner; and

10.14 (2) disenroll or disqualify the excluded program participant from any other program  
10.15 administered by the commissioner.

10.16 (d) If a program participant enrolled, licensed, or receiving funds under any contract or  
10.17 program administered by a Minnesota state agency or federal agency is excluded from that  
10.18 program, the inspector general shall notify the commissioner, who may:

10.19 (1) prohibit the excluded program participant from enrolling in, becoming licensed,  
10.20 receiving grant money from, or registering in any other program administered by the  
10.21 commissioner; and

10.22 (2) disenroll or disqualify the excluded program participant from any other program  
10.23 administered by the commissioner.

10.24 (e) The duration of a prohibition, disenrollment, revocation, suspension, or  
10.25 disqualification under paragraph (c) must last for the longest applicable sanction or  
10.26 disqualifying period in effect for the program participant permitted by state or federal law.  
10.27 The duration of a prohibition, disenrollment, revocation, suspension, or disqualification  
10.28 under paragraph (d) may last up until the longest applicable sanction or disqualifying period  
10.29 in effect for the program participant as permitted by state or federal law.

11.1 Sec. 14. Minnesota Statutes 2024, section 127A.21, is amended by adding a subdivision  
11.2 to read:

11.3 Subd. 10. **Notice.** Within five days of taking an action against a program participant  
11.4 under subdivision 9, paragraph (c) or (d), the commissioner must send notice of the action  
11.5 to the program participant. The notice must state:

11.6 (1) the basis for the action;

11.7 (2) the effective date of the action;

11.8 (3) the right to appeal the action; and

11.9 (4) the requirements and procedures for reinstatement.

11.10 Sec. 15. Minnesota Statutes 2024, section 127A.21, is amended by adding a subdivision  
11.11 to read:

11.12 Subd. 11. **Appeal.** (a) Upon receipt of a notice under subdivision 10, a program  
11.13 participant may request a contested case hearing, as defined in section 14.02, subdivision  
11.14 3, by filing with the commissioner a written request of appeal. The appeal request must be  
11.15 received by the commissioner no later than 30 days after the date the notification was mailed  
11.16 to the program participant.

11.17 (b) The appeal request must specify: (1) each disputed item and the reason for the dispute;  
11.18 (2) the authority in statute or rule upon which the program participant relies for each disputed  
11.19 item; (3) the name and address of the person or entity with whom contacts may be made  
11.20 regarding the appeal; and (4) other information required by the commissioner.

11.21 (c) Unless timely and proper appeal is received by the commissioner, the action of the  
11.22 commissioner shall be considered final and binding on the effective date of the action as  
11.23 stated in the notice under subdivision 10, clause (2).

11.24 Sec. 16. Minnesota Statutes 2024, section 127A.21, is amended by adding a subdivision  
11.25 to read:

11.26 Subd. 12. **Withholding of payments.** (a) This subdivision does not authorize withholding  
11.27 of payments that reduces, pauses, or otherwise interrupts state or federal aid to a school  
11.28 district, charter school, cooperative unit as defined in section 123A.24, subdivision 2, or  
11.29 any library, library system, or library district defined in section 134.001.

11.30 (b) Except as otherwise provided by state or federal law, the inspector general shall  
11.31 notify and recommend to the commissioner to withhold payments to a program participant

12.1 in any program administered by the commissioner, to the extent permitted under federal  
12.2 law, if the commissioner determines there is a credible allegation of fraud or theft for which  
12.3 an investigation is pending for a program administered by the department, a Minnesota state  
12.4 agency, or a federal agency.

12.5 (c) Allegations are considered credible when they have indicia of reliability and the  
12.6 inspector general has reviewed the evidence and acts on a case-by-case basis. A credible  
12.7 allegation of fraud is an allegation that has been verified by the commissioner from any  
12.8 source, including but not limited to:

12.9 (1) fraud hotline complaints;

12.10 (2) claims data mining; and

12.11 (3) patterns identified through provider audits, civil false claims cases, and investigations.

12.12 (d) The commissioner must send notice of the withholding of payments within five days  
12.13 of taking such action. The notice must: (1) state that payments are being withheld according  
12.14 to this paragraph; (2) set forth the general allegations as to the reasons for the withholding  
12.15 action, but need not disclose any specific information concerning an ongoing investigation;  
12.16 (3) state that the withholding is for a temporary period and cite the circumstances under  
12.17 which withholding will be terminated; and (4) inform the program participant of the right  
12.18 to submit written evidence for consideration by the commissioner.

12.19 (e) The withholding of payments shall not continue after the commissioner determines  
12.20 there is insufficient evidence of fraud by the program participant or after legal proceedings  
12.21 relating to the alleged fraud are completed, unless the commissioner has sent notice under  
12.22 subdivision 5 of the intention to take an additional action related to the program participant's  
12.23 participation in a program administered by the commissioner.

12.24 (f) The withholding of payments is a temporary action and shall not be subject to appeal  
12.25 under this subdivision or chapter 14.

12.26 Sec. 17. Minnesota Statutes 2024, section 127A.49, subdivision 3, is amended to read:

12.27 Subd. 3. **Excess tax increment.** (a) The county auditor must, prior to February 1 of each  
12.28 year, certify to the commissioner of education the amount of any excess tax increment that  
12.29 accrued to the district during the preceding year. If a return of excess tax increment is made  
12.30 to a district pursuant to sections 469.176, subdivision 2, and 469.177, subdivision 9, or upon  
12.31 decertification of a tax increment district, the school district's aid and levy limitations must  
12.32 be adjusted for the fiscal year in which the excess tax increment is paid under the provisions  
12.33 of this subdivision.

- 13.1 (b) An amount must be subtracted from the district's aid for the current fiscal year equal  
13.2 to the product of:
- 13.3 (1) the amount of the payment of excess tax increment to the district in the preceding  
13.4 year, times
- 13.5 (2) the ratio of:
- 13.6 (i) the sum of the amounts of the district's certified levy in the third preceding year  
13.7 according to the following:
- 13.8 (A) section 123B.57, if the district received health and safety aid according to that section  
13.9 for the second preceding year;
- 13.10 (B) section 124D.20, if the district received aid for community education programs  
13.11 according to that section for the second preceding year;
- 13.12 (C) section 142D.11, subdivision 3, if the district received early childhood family  
13.13 education aid according to section 142D.11 for the second preceding year;
- 13.14 (D) section 126C.17, subdivision 6, if the district received referendum equalization aid  
13.15 according to that section for the second preceding year;
- 13.16 (E) section 126C.10, subdivision 13a, if the district received operating capital aid  
13.17 according to section 126C.10, subdivision 13b, in the second preceding year;
- 13.18 (F) section 126C.10, subdivision 29, if the district received equity aid according to  
13.19 section 126C.10, subdivision 30, in the second preceding year;
- 13.20 (G) section 126C.10, subdivision 32, if the district received transition aid according to  
13.21 section 126C.10, subdivision 33, in the second preceding year;
- 13.22 (H) section 123B.53, subdivision 5, if the district received debt service equalization aid  
13.23 according to section 123B.53, subdivision 6, in the second preceding year;
- 13.24 (I) section 123B.535, subdivision 4, if the district received natural disaster debt service  
13.25 equalization aid according to section 123B.535, subdivision 5, in the second preceding year;
- 13.26 (J) section 124D.22, subdivision 3, if the district received school-age care aid according  
13.27 to section 124D.22, subdivision 4, in the second preceding year; and
- 13.28 (K) section 122A.415, subdivision 5, if the district received alternative teacher  
13.29 compensation equalization aid according to section 122A.415, subdivision 6, paragraph (a),  
13.30 in the second preceding year; to

14.1 (ii) the total amount of the district's certified levy in the third preceding year, plus or  
14.2 minus auditor's adjustments.

14.3 (c) An amount must be subtracted from the school district's levy limitation for the next  
14.4 levy certified equal to the difference between:

14.5 (1) the amount of the distribution of excess increment; and

14.6 (2) the amount subtracted from aid pursuant to clause (a).

14.7 If the aid and levy reductions required by this subdivision cannot be made to the aid for  
14.8 the fiscal year specified or to the levy specified, the reductions must be made from aid for  
14.9 subsequent fiscal years, and from subsequent levies. The school district must use the payment  
14.10 of excess tax increment to replace the aid and levy revenue reduced under this subdivision.

14.11 (d) This subdivision applies only to the total amount of excess increments received by  
14.12 a district for a calendar year that exceeds \$25,000.

14.13 Sec. 18. Minnesota Statutes 2024, section 268.19, subdivision 1, is amended to read:

14.14 Subdivision 1. **Use of data.** (a) Except as provided by this section, data gathered from  
14.15 any person under the administration of the Minnesota Unemployment Insurance Law are  
14.16 private data on individuals or nonpublic data not on individuals as defined in section 13.02,  
14.17 subdivisions 9 and 12, and may not be disclosed except according to a district court order  
14.18 or section 13.05. A subpoena is not considered a district court order. These data may be  
14.19 disseminated to and used by the following agencies without the consent of the subject of  
14.20 the data:

14.21 (1) state and federal agencies specifically authorized access to the data by state or federal  
14.22 law;

14.23 (2) any agency of any other state or any federal agency charged with the administration  
14.24 of an unemployment insurance program;

14.25 (3) any agency responsible for the maintenance of a system of public employment offices  
14.26 for the purpose of assisting individuals in obtaining employment;

14.27 (4) the public authority responsible for child support in Minnesota or any other state in  
14.28 accordance with section 518A.83;

14.29 (5) human rights agencies within Minnesota that have enforcement powers;

14.30 (6) the Department of Revenue to the extent necessary for its duties under Minnesota  
14.31 laws;

15.1 (7) public and private agencies responsible for administering publicly financed assistance  
15.2 programs for the purpose of monitoring the eligibility of the program's recipients;

15.3 (8) the Department of Labor and Industry and the Commerce Fraud Bureau in the  
15.4 Department of Commerce for uses consistent with the administration of their duties under  
15.5 Minnesota law;

15.6 (9) the Department of Human Services and the Office of Inspector General and its agents  
15.7 within the Department of Human Services, including county fraud investigators, for  
15.8 investigations related to recipient or provider fraud and employees of providers when the  
15.9 provider is suspected of committing public assistance fraud;

15.10 (10) the Department of Human Services for the purpose of evaluating medical assistance  
15.11 services and supporting program improvement;

15.12 (11) local and state welfare agencies for monitoring the eligibility of the data subject  
15.13 for assistance programs, or for any employment or training program administered by those  
15.14 agencies, whether alone, in combination with another welfare agency, or in conjunction  
15.15 with the department or to monitor and evaluate the statewide Minnesota family investment  
15.16 program and other cash assistance programs, the Supplemental Nutrition Assistance Program,  
15.17 and the Supplemental Nutrition Assistance Program Employment and Training program by  
15.18 providing data on recipients and former recipients of Supplemental Nutrition Assistance  
15.19 Program (SNAP) benefits, cash assistance under chapter 256, 256D, 256J, or 256K, child  
15.20 care assistance under chapter 142E, or medical programs under chapter 256B or 256L or  
15.21 formerly codified under chapter 256D;

15.22 (12) local and state welfare agencies for the purpose of identifying employment, wages,  
15.23 and other information to assist in the collection of an overpayment debt in an assistance  
15.24 program;

15.25 (13) local, state, and federal law enforcement agencies for the purpose of ascertaining  
15.26 the last known address and employment location of an individual who is the subject of a  
15.27 criminal investigation;

15.28 (14) the United States Immigration and Customs Enforcement has access to data on  
15.29 specific individuals and specific employers provided the specific individual or specific  
15.30 employer is the subject of an investigation by that agency;

15.31 (15) the Department of Health for the purposes of epidemiologic investigations;

15.32 (16) the Department of Corrections for the purposes of case planning and internal research  
15.33 for preprobation, probation, and postprobation employment tracking of offenders sentenced

16.1 to probation and preconfinement and postconfinement employment tracking of committed  
16.2 offenders;

16.3 (17) the state auditor to the extent necessary to conduct audits of job opportunity building  
16.4 zones as required under section 469.3201;

16.5 (18) the Office of Higher Education for purposes of supporting program improvement,  
16.6 system evaluation, and research initiatives including the Statewide Longitudinal Education  
16.7 Data System; ~~and~~

16.8 (19) the Family and Medical Benefits Division of the Department of Employment and  
16.9 Economic Development to be used as necessary to administer chapter 268B; and

16.10 (20) the Department of Education Office of the Inspector General for investigations  
16.11 related to fraud, theft, waste, and abuse or other misuse of public funds by a program  
16.12 participant in a department program pursuant to chapter 127A.21.

16.13 (b) Data on individuals and employers that are collected, maintained, or used by the  
16.14 department in an investigation under section 268.182 are confidential as to data on individuals  
16.15 and protected nonpublic data not on individuals as defined in section 13.02, subdivisions 3  
16.16 and 13, and must not be disclosed except under statute or district court order or to a party  
16.17 named in a criminal proceeding, administrative or judicial, for preparation of a defense.

16.18 (c) Data gathered by the department in the administration of the Minnesota unemployment  
16.19 insurance program must not be made the subject or the basis for any suit in any civil  
16.20 proceedings, administrative or judicial, unless the action is initiated by the department.